



Toronto 2016 BUDGET

OPERATING PROGRAM SUMMARY



Yonge-Dundas Square

2016 OPERATING BUDGET OVERVIEW

Yonge-Dundas Square is a public square that accommodates approximately 300 events each year including third-party and self-programmed events. These events encourage economic and cultural activities by showcasing businesses and drawing residents and tourists to the area. 28 days are also set aside for the public to enjoy the square as a piazza.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$2.335 million gross and \$0.389 million net as shown below.

(in \$000's)	2015 Budget	2016 Budget	Change	
			\$	%
Gross Expenditures	2,265.9	2,334.5	68.6	3.0%
Gross Revenues	1,872.6	1,945.2	72.5	3.9%
Net Expenditures	393.3	389.4	(3.9)	(1.0%)

Yonge-Dundas Square is able to reduce its Net Operating Budget by 1% as it will generate additional revenue while keeping the service delivery levels unaffected for this year.

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Fast Facts

- Accommodates about 275 events per year, reflecting the Square's current business strategy.
- Regular events include Lunchtime Live!, City Cinema, Fountain Day!, and Indie Fridays.
- Community events include Texas On Tour, NXNE, Pride 2015: The Final Play, and Multicultural Canada Day.
- The number of attendees and users of the Square is projected to be 1.085 million in 2016.

Trends

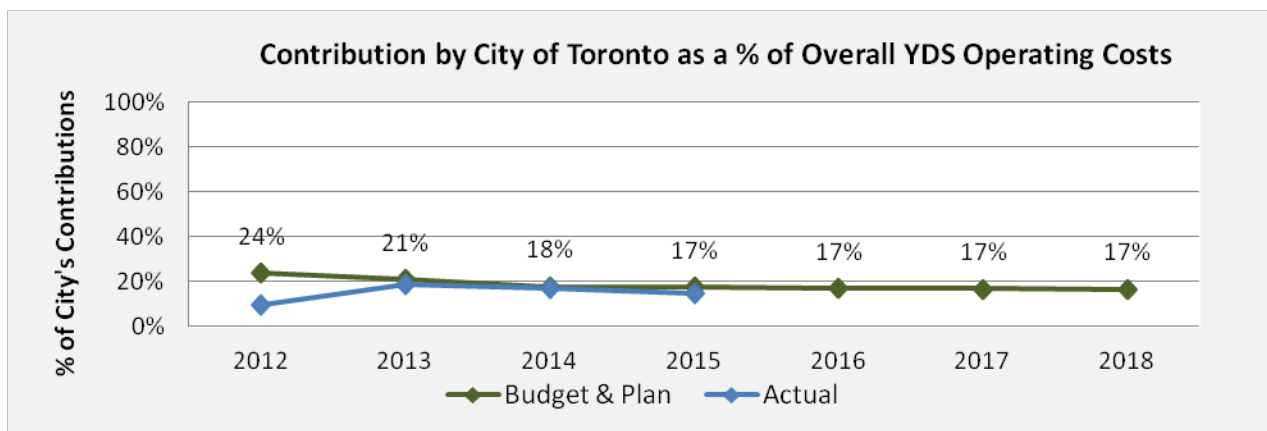
- Funding support from the City as a percentage of the Program's operations remain steady with a small decline from the years 2014 to 2015, from 18% to 17%.
- Actual revenue is highly variable. Due to uncertainties at the Square (unauthorized use, media reports of dangerous activity and rising competition), the revenue is budgeted conservatively.
- In 2015 and forward, the number of events consist of greater proportion of larger events in comparison to smaller events, in an effort to generate additional net surplus for the Square.

Our Service Deliverables for 2016

The goal of Yonge-Dundas Square is to provide the downtown area with a range of business and cultural events and provide maintenance on the Square as required.

The 2016 Operating Budget will support:

- Approximately 275 events in 2016
 - 88% are scheduled 3rd party public events year-round including community and private sector events, City events, and major cultural events.
 - 12% are self-programmed events during the spring, summer and fall.
- The Square sets aside days for the open public use as a piazza. The Board of Management's business strategy sets a goal of holding approximately 275 events (capacity), and thereafter, allowing for 28 "fountain days" and downtime for maintenance of the Square during peak and non-peak seasons.
- Services including staging, lighting, audio systems, and security that support successful events.

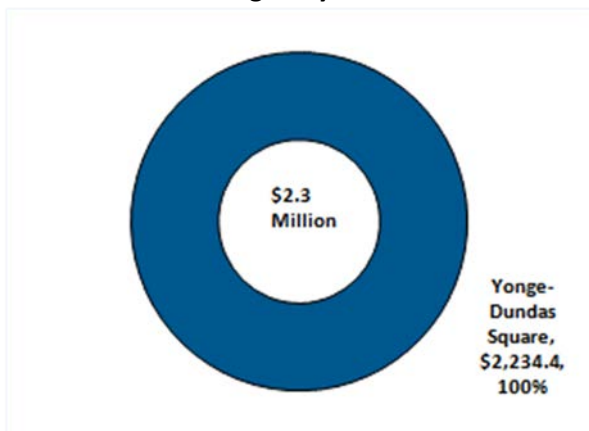


2016 Operating Budget Expenses & Funding

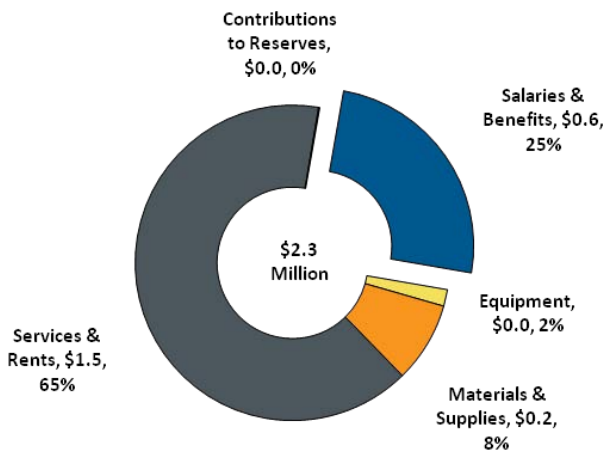
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

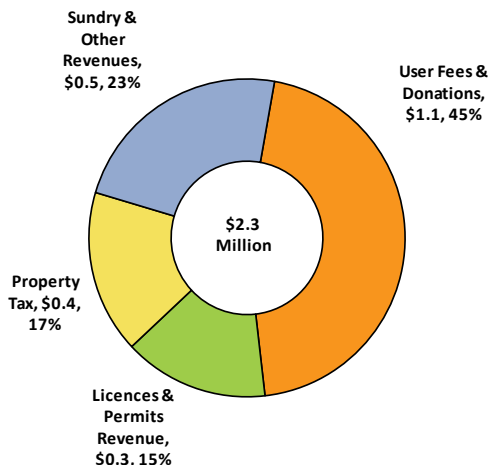


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



Competition from other Civic Squares

- ✓ In October 2013, City Council considered a report recommending increased strategic alignment between the Program and other Public Squares.
- ✓ The report was referred to the General Manager, Economic Development and Culture, for consideration.
- ✓ In the interim, Yonge-Dundas Square continues to maintain its primary revenue sources (permit fees, service charges, and sponsorships) while exploring alternate revenue streams.
- ✓ There are no new planned user fees for 2016.

Unpermitted Use of the Square

- ✓ Yonge-Dundas Square continues to monitor unauthorized plans to use the Square to prevent and mitigate issues proactively.

2016 Operating Budget Highlights

- The 2016 Operating Budget of \$2.335 million gross and \$0.389 million net provides funding for:
 - ✓ Program specific expenditures such as Yonge-Dundas Square programming costs, holiday décor, and marketing/advertising (\$0.923 million).
 - ✓ Administration expenditures including permanent staffing costs, rent, accounting fees, and office expenses (\$0.736 million).
 - ✓ Contracted services such as custodial and security costs (\$0.419 million).

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2016 Operating Budget for Yonge-Dundas Square of \$2.335 million gross, \$0.389 million net for the following service:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Yonge-Dundas Square	2,334.5	389.4
Total Program Budget	<u>2,334.5</u>	<u>389.4</u>

2. City Council approve the 2016 service levels for Yonge-Dundas Square as outlined on page 11 of this report, and associated staff complement of 6.5 positions.



Part I:

2016 – 2018

Service Overview and
Plan

Program Map

Yonge-Dundas Square

The mission of the Yonge-Dundas Square Board of Management is to responsibly manage the Yonge-Dundas Square and enhance the vitality of downtown; to launch, promote, and operate the Square as a unique public space, borne from the passion of its community and the energy of commercial participation, so as to develop a positive perception by way of its activities, security, and cleanliness.

Yonge-Dundas Square is a unique focal point of the downtown Toronto community. The Square is designated for use as a public open space and as an event venue that can accommodate events of various sizes. You'll discover a wide range of activities on the Square: community celebrations, theatrical events, concerts, receptions, promotions – events that appeal to residents and tourists alike and provide a showcase for local businesses.

Public Square and Event Venue

Purpose:

- To create a unique focal point in the downtown core to promote economic development activities and to contribute to the cultural vitality of the community;
- To provide a balance of commercial and community programming which will appeal to local business and residents, and also provide city wide attractions to Torontonians and visitors alike;
- To promote a high quality of life in a safe, secure and liveable downtown.

Service Customer

Public Event Production

- Public Event Participant
- Public Event Host
- YDS Space User
- Business Partners (ticket booth)
- Sponsors
- Partners

Table 1
2016 Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual*	2016 Base	2016 New/Enhanced	2016 Budget	Approved Changes		2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Yonge-Dundas Square											
Gross Expenditures	2,265.9	2,626.3	2,334.5		2,334.5	68.6	3.0%	4.9	0.2%	5.2	0.2%
Revenue	1,872.6	2,338.9	1,945.2		1,945.2	72.5	3.9%	4.9	0.3%	5.2	0.3%
Total Net Expenditures	393.3	287.4	389.4		389.4	(3.9)	(1.0%)				
Approved Positions	6.5	6.5	6.5		6.5						

* Based on 2015 Q3 Operating Variance Report

The Yonge-Dundas Square’s 2016 Operating Budget is \$2.335 million gross and \$0.389 million net, representing a 1% decrease to the 2015 Approved Net Operating Budget is in line with the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to increased staffing and event support costs.
- To help mitigate the above pressures, the Program was able to achieve minor efficiency savings through reduced general office and maintenance costs, and lower event programming expenses in proportion to the amount of revenue generated from the Square's events.
 - In addition, higher sundry revenue from signage agreements and tour bus kiosk will further offset the above pressures.
- Approval of the 2016 Operating Budget will result in Yonge-Dundas Square keeping its total staff complement at 6.5 positions with no changes.
- The 2017 and 2018 Plan increases are attributable to general economic factors applied to utility cost increases and event support cost increases, which are fully offset by increased sundry revenue.

**Table 2
Key Cost Drivers**

(In \$000s)	2016 Base Budget Total	
	\$	Position
Gross Expenditure Changes		
Economic Factors		
Corporate Economic Factors	4.6	
Salary & Benefit Changes		
Progression Pay	11.7	
Increased Seasonal Contractor Fees	0.6	
Other Base Changes		
Event Support Costs	51.6	
Total Gross Expenditure Changes	68.6	
Revenue Changes (Increase) / Decrease		
Sundry Revenue (Signage Agreements, Tour Bus Kiosk)	(12.5)	
User Fees (Volume)	(60.0)	
Total Revenue Changes	(72.5)	
Net Expenditure Changes	(3.9)	

Key cost drivers for Yonge-Dundas Square's 2016 Operating Budget are discussed below:

- Economic Factors:
 - Inflationary increases applied to water and hydro require \$0.005 million.
- Salary & Benefits Change:
 - Progression pay of \$0.012 million is applicable to increases in salaries and benefits.
 - Seasonal contractor fees have been renewed at a higher rate with resulting in a \$1,000 increase.
- Other Base Changes:
 - Additional event support costs are needed to host larger events on the Square.
- Revenue Changes:
 - Higher revenues of \$0.013 million are expected from the signage agreement and tour bus kiosk.
 - Hosting larger events will generate higher revenue of \$0.060 million in 2016.

Approval of the 2016 Budget for Yonge-Dundas Square will result in a 2017 incremental net cost of \$0.005 million and a 2018 incremental net cost of \$0.005 million to maintain the 2016 service levels, as discussed in the below table:

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Corporate Factors (hydro and water)	4.8		4.8	2.5%		5.1		5.1	2.6%	
Sub-Total	4.8		4.8			5.1		5.1		
Anticipated Impacts:										
Sundry Revenue (signage agreements and tour bus kiosk)		4.9	(4.9)	0.9%			5.2	(5.2)	1.0%	
Sub-Total		4.9	(4.9)				5.2	(5.2)		
Total Incremental Impact	4.8	4.9	(0.1)			5.1	5.2	(0.1)		

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Hydro and water rates are expected to increase with costs rising by \$0.005 million in 2017 and \$0.005 million in 2018.

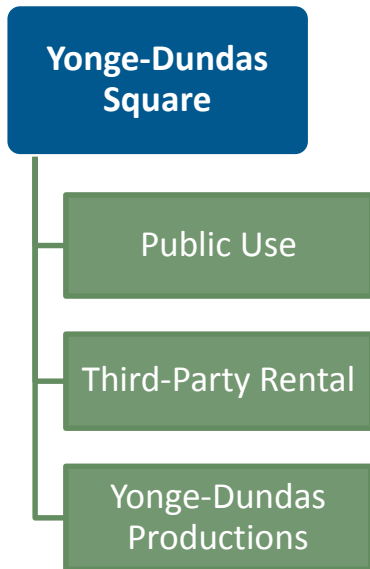
Anticipated Impacts:

- It is anticipated that signage agreements and tour bus kiosks will continue to generate higher revenue for the Square, for the amounts of \$0.005 million in both years of 2017 and 2018.



Part II: 2016 Budget by Service

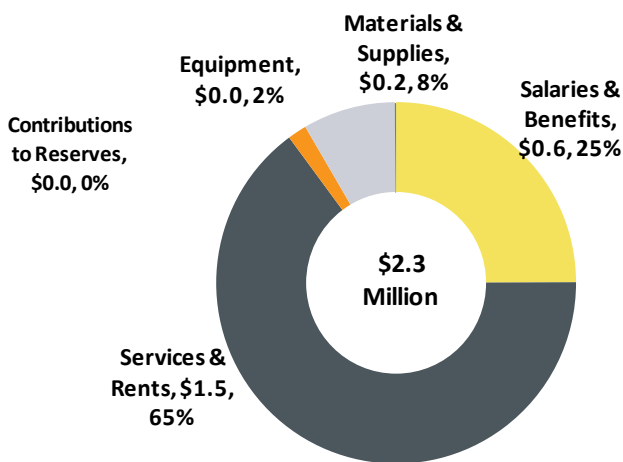
Yonge-Dundas Square



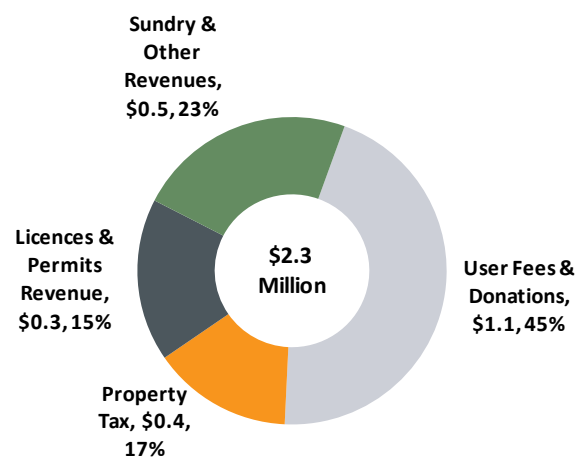
What We Do

- Continued to establish the Square as a primary venue for major international festivals and events while maintaining availability for multicultural community festivals and celebrations.
- Maintenance of the Square while setting aside days for the square to be a piazza, during peak and non-peak seasons.

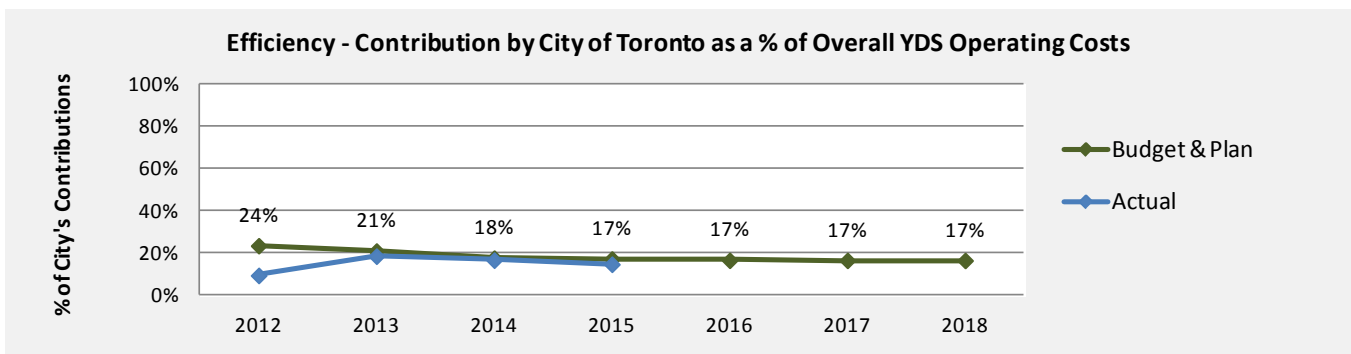
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Efficiency - Contribution by City of Toronto as a % of Overall YDS Operating Costs



- The Yonge-Dundas Square has consistently reduced its net budget thereby reducing City's contributions. This trend is expected to continue in the years 2016 and forward.

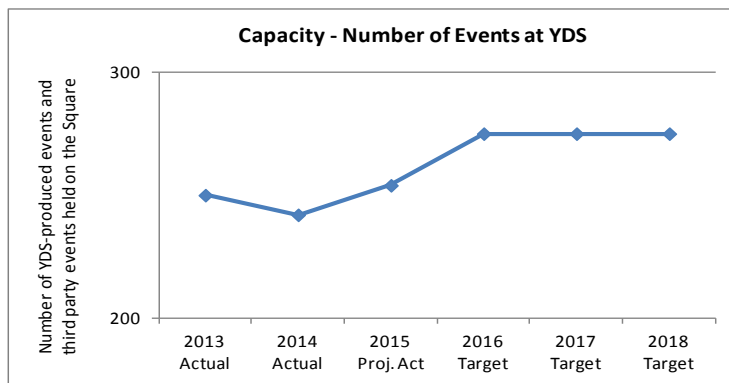
2016 Service Levels Yonge-Dundas Square

Activity	Status	2015			2016
		2013	2014	2015	2016
Public Use	Approved	Square accessible for public use on a daily basis 100% of the time.			Square accessible for public use on a daily basis 100% of the time.
Third-Party Rental	Approved	88% Utilization			88% Utilization
Yonge-Dundas Productions	Approved	12% Utilization			12% Utilization

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

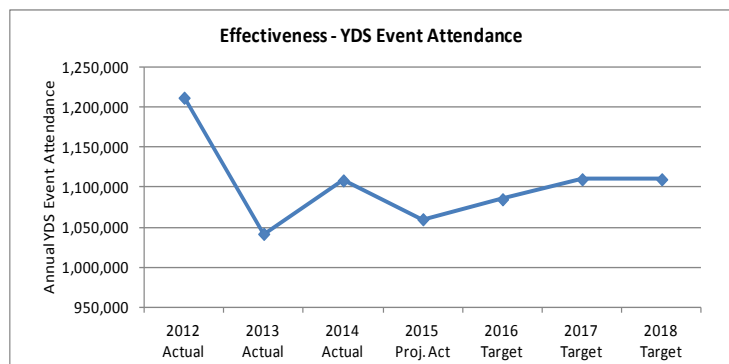
Service Performance

Output Measure – Number of Events at YDS



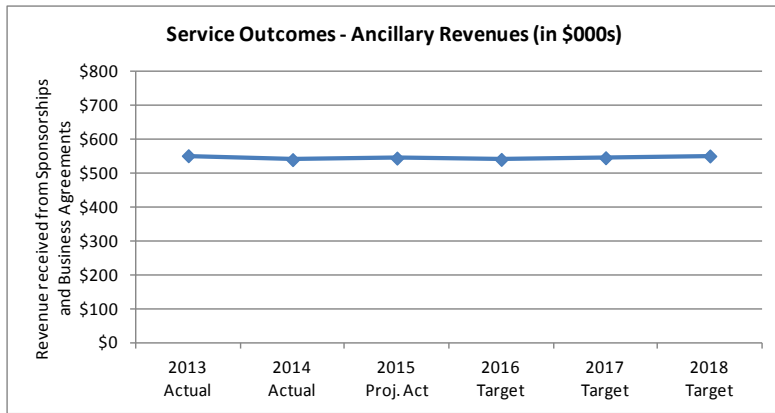
- The number of events held on the Square includes self-produced programmed events and third party events such as community events, private sector events, City events and major cultural festivals.
- The Board's mandate is to hold 275 events vs. capacity of 300 events which reflects a new strategy focussing on larger production events in lieu of smaller events.

Effective Measure – YDS Event Attendance



- 2012 was an exceptional year for Yonge-Dundas Square with higher than normal visitor traffic count on the Square.
- The Square expects a slight drop in attendance in 2015 year-end due to a change mix of events on the Square.
- Successes continue with events as such as "The Best Buy Life & Tech" and "Toronto Cider Festival".
- Attendance count: 2015 Proj. Act (1,060,000), 2016 Target (1,085,000), 2017 Target (1,110,000), 2018 Target (1,110,000).

Effectiveness Measure – Ancillary Revenues



- YDS continues to generate steady but increasing levels of ancillary revenue which include sponsorships, signage agreements, kiosk rent, and partnership/supplier agreements.
- Ancillary Revenues: 2015 Proj. Act (\$0.544 million), 2016 Target (\$0.540 million), 2017 Target (\$0.545 million), 2018 Target (\$0.550 million).



Part III: Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

Competition from Other Civic Squares

- Yonge-Dundas Square (YDS) operates in the same market as other civic squares such as David Pecaut Square and Nathan Phillips Square. It continues to be a challenge for Yonge-Dundas Square to compete for revenues with other civic squares that operate under different business models and fee structures.
 - There are no planned user fee increases for Yonge-Dundas Square in years 2016, 2017 and 2018 due to the strong competition with other squares such as the Nathan Philip Square, Yonge-Dundas Square has decided to remain competitive by fixing its current user fee rates.
- Analysis that compares cost structures between the 3 civic squares is underway. This analysis will provide insight to the Yonge-Dundas Square management team on other civic square operational cost structures to support YDS's future financial planning.
- Yonge-Dundas Square continues to maintain its primary revenue sources (permit fees, service charges, and sponsorships) through maintaining the Square as an attractive venue for events, and negotiating sponsorships with private sector partners and community groups. The Board of Management is also mandated to explore alternate revenue streams to support its various service objectives.
- On October 8, 2013, City Council considered a report, "*Governance and Policy Framework for Toronto's Public Squares*" (EX34.6) recommending that Yonge-Dundas Square's Board of Management work with the General Manager of Economic Development and Culture to optimize events across Yonge-Dundas Square and the City's other Civic Squares.
 - The report was referred to the General Manager, Economic Development and Culture, for consideration.
 - The General Manager was also directed to meet with staff and Councillors and report back in the Spring of 2014 on ways to encourage better use of the City's Public Squares.
 - This report has not yet moved forward.
 - It is requested that the General Manager of Economic Development and Culture respond to this report, and the details can be found in the 2016 Operating Budget Notes for Economic Development and Culture.

Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, Yonge-Dundas Square accomplished the following:

- ✓ Yonge-Dundas Square has successfully met the City's mandate of 0% net budget increase in 2015 over 2014, and is projected to yield an actual 26.9% net budget reduction.
- ✓ Successfully maintained consistent growth in its ancillary revenues, outpacing the increased expenditures.
- ✓ Yonge-Dundas Square is well-established as a primary venue for major international festivals as well as multicultural community festivals despite strong competition from other Squares.
- ✓ Continued to operate at a 100% utilization rate during the peak-season.

Appendix 2

2016 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	Actual *	\$	\$	%	\$	\$
Salaries and Benefits	552.1	507.6	570.0	515.8	582.3	12.3	2.2%	582.3	582.3
Materials and Supplies	151.8	174.3	189.5	227.5	192.9	3.4	1.8%	197.7	202.9
Equipment	8.9	28.3	40.0	44.7	40.0			40.0	40.0
Services & Rents	1,594.7	1,571.7	1,463.7	1,835.6	1,516.5	52.8	3.6%	1,516.6	1,516.6
Contributions to Capital									
Contributions to Reserve/Res Funds	2.4	2.4	2.8	2.8	2.8			2.8	2.8
Other Expenditures									
Interdivisional Charges									
Total Gross Expenditures	2,310.0	2,284.3	2,265.9	2,626.3	2,334.5	68.6	3.0%	2,339.4	2,344.6
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	1,313.3	1,348.7	1,345.0	1,753.0	1,405.0	60.0	4.5%	1,405.0	1,405.0
Transfers from Capital Fund									
Contribution from Reserve/Reserve Funds									
Sundry Revenues	562.5	546.3	527.6	585.9	540.2	12.5	2.4%	545.0	550.2
Total Revenues	1,875.8	1,895.0	1,872.6	2,338.9	1,945.2	72.5	3.9%	1,950.0	1,955.2
Total Net Expenditures	434.2	389.3	393.3	287.4	389.4	(3.9)	(1.0%)	389.4	389.4
Approved Positions	6.5	6.5	6.5	6.5	6.5			6.5	6.5

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" approved by City Council at its meeting on December 9, 2015.

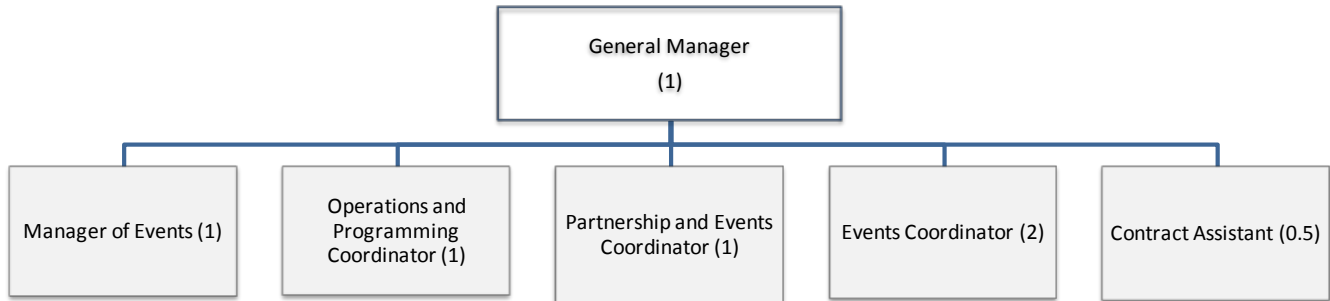
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

Impact of 2015 Operating Variance on the 2016 Budget

The 2015 Operating Variance will have no impact on the 2016 Operating Budget.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	1.0	5.0			6.0
Temporary			0.5		0.5
Total	1.0	5.0	0.5		6.5

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance		25,335.2	25,335.2	12,018.1	2,712.1
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			2.8	2.8	2.8
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	25,338.0	12,020.9	2,714.9
Other Program / Agency Net Withdrawals & Contributions			(13,319.9)	(9,308.8)	(4,515.3)
Balance at Year-End		25,335.2	12,018.1	2,712.1	(1,800.4)

* Based on 9-month 2015 Reserve Fund Variance Report