



# Toronto 2016 BUDGET

## OPERATING PROGRAM SUMMARY



## Heritage Toronto

### 2016 OPERATING BUDGET OVERVIEW

Heritage Toronto raises awareness of Toronto's architectural, archaeological, natural and cultural heritage by delivering volunteer-led walks, bus and cycling tours around the City, installing heritage plaques and markers to commemorate buildings and events, and producing the annual Heritage Toronto Awards event.

### 2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$0.309 million net as shown below.

| (in \$000's)            | 2015 Approved |              | Change       |               |
|-------------------------|---------------|--------------|--------------|---------------|
|                         | Budget        | 2016 Budget  | \$           | %             |
| Gross Expenditures      | 761.5         | 768.4        | 6.9          | 0.9%          |
| Gross Revenues          | 449.5         | 459.5        | 10.0         | 2.2%          |
| <b>Net Expenditures</b> | <b>312.0</b>  | <b>308.9</b> | <b>(3.1)</b> | <b>(1.0%)</b> |

The 2016 Operating Budget for Heritage Toronto meets the budget target of a 1% decrease below the 2015 Approved Operating Budget funding level.

### Contents

#### Overview:

- I: 2016 – 2018 Service Overview and Plan [6](#)
- II: 2016 Budget by Service [10](#)
- III: Issues for Discussion [15](#)

#### Appendices:

- 1. 2015 Performance [17](#)
- 2. 2016 Operating Budget by Expenditure Category [18](#)
- 3. 2016 Organization Chart [19](#)
- 4. Summary of 2016 Service Changes N/A
- 5. Summary of 2016 New & Enhanced Service Priorities N/A
- 6. Inflows/Outflows to / from Reserves & Reserve Funds [20](#)
- 7. 2016 User Fee Rate Changes N/A

Fast Facts

- Heritage Toronto will deliver 80 public Tours, including walking, bus, and bike tours across Toronto, including new Tours for newcomers and diverse cultural communities.
- Heritage Toronto will produce 40 interpretive plaques, telling the history and heritage of Toronto’s key people, places, and events.
- Heritage Toronto will produce 40 Century House markers, successfully piloting this new initiative.
- Heritage Toronto will deliver 18 community plaque presentation events.

Trends

- Heritage Toronto introduced on-line ad sales for the first time in 2015.
- Heritage Toronto increased participation in social media channels.
- Awards attendance has increased as shown below

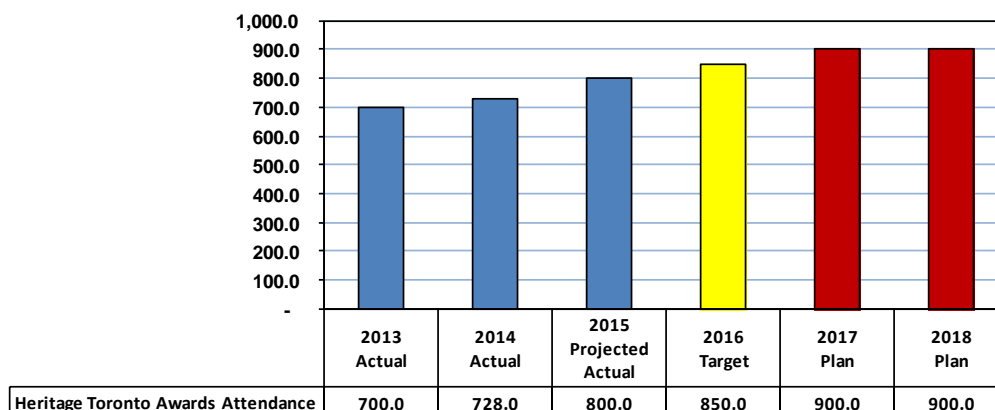
Our Service Deliverables for 2016

Heritage Toronto continues to work on increasing awareness about the importance of the City of Toronto's shared heritage and cultural assets among the general population and visitors.

The 2016 Operating Budget will:

- Deliver 80 heritage tours, which include free and ticketed walking, cycling, bus and boutique tours offered in multiple languages.
- Create 40 plaques, interpreting the history of specific sites, people, or events in numerous Wards of the City.
- Deliver 13 community plaque presentation events.
- Create 40 Century House markers and the successful evaluation of this pilot offering.
- Deliver 4 heritage lectures: Heritage Toronto strives to deliver and promote at least one heritage lecture every quarter.
- Deliver the 42nd annual Heritage Toronto Awards and 20th Kilbourn Lecture.
- Deliver special programming for the Jane Jacobs Centennial, which may include Tours, Lectures, and an exhibit.
- Further grow the social media network to increase awareness and participation for all programs.

Heritage Toronto Awards Attendance

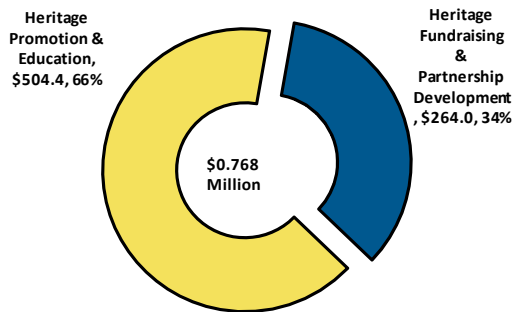


2016 Operating Budget Expenses & Funding

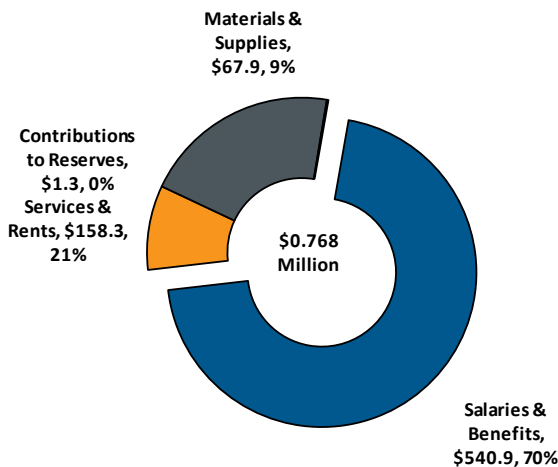
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

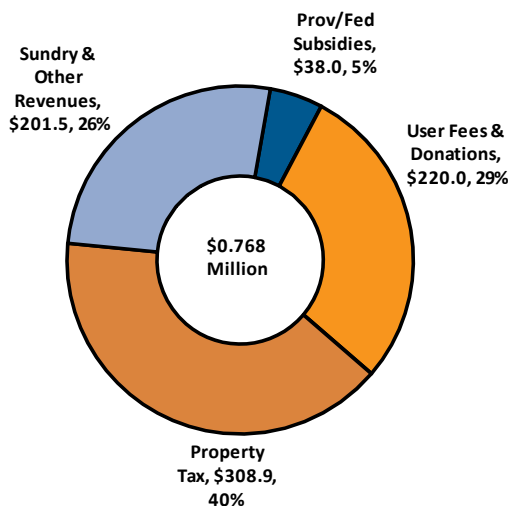


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- **Raise funds;** memberships, individual donations, ticket sales and corporate sponsorships amounting to 60% of Heritage Toronto's gross expenditures, allowing Heritage Toronto to continue to meet its service objectives and reduce reliance on City funding.
- **Introduce new programs related to:**
  - ✓ Jane Jacobs Centenary
  - ✓ Introduction to Heritage Conservation
  - ✓ World War I Plaques
  - ✓ Canada 150 Programs

2016 Operating Budget Highlights

- The 2016 Operating Budget for Heritage Toronto of \$0.8 million in gross expenditures provides funding for two services, Heritage Promotion & Education and Heritage Fundraising & Partnership Development.
- The Program has achieved the target of a 1% reduction from the 2015 Approved Budget through measures taken based on the following criteria:
  - ✓ *Sustainable Savings:* Efficiency savings of 2% achieved through a \$0.004 million reduction of general office supplies with no impact on service levels.
  - ✓ *Stabilized Revenue:* Increased donations and sundry revenue for the Plaques & Markers Program, and various lecture series hosted by the Program (net increase of \$0.010 million)

## Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2016 Operating Budget for Heritage Toronto of \$0.768 million gross, \$0.309 million net for the following services:

| <u>Service</u>                                 | <u>Gross<br/>(\$000s)</u> | <u>Net<br/>(\$000s)</u> |
|--|---------------------------|-------------------------|
| Heritage Fundraising & Partnership Development | 264.0                     | 73.0                    |
| Heritage Promotion & Education                 | 504.4                     | 235.9                   |
|  | <hr/>                     | <hr/>                   |
| Total Program Budget                           | <u>768.4</u>              | <u>308.9</u>            |

2. City Council approve the 2016 service levels for Heritage Toronto as outlined on pages 11 and 13 of this report, and associated staff complement of 7.0 positions.

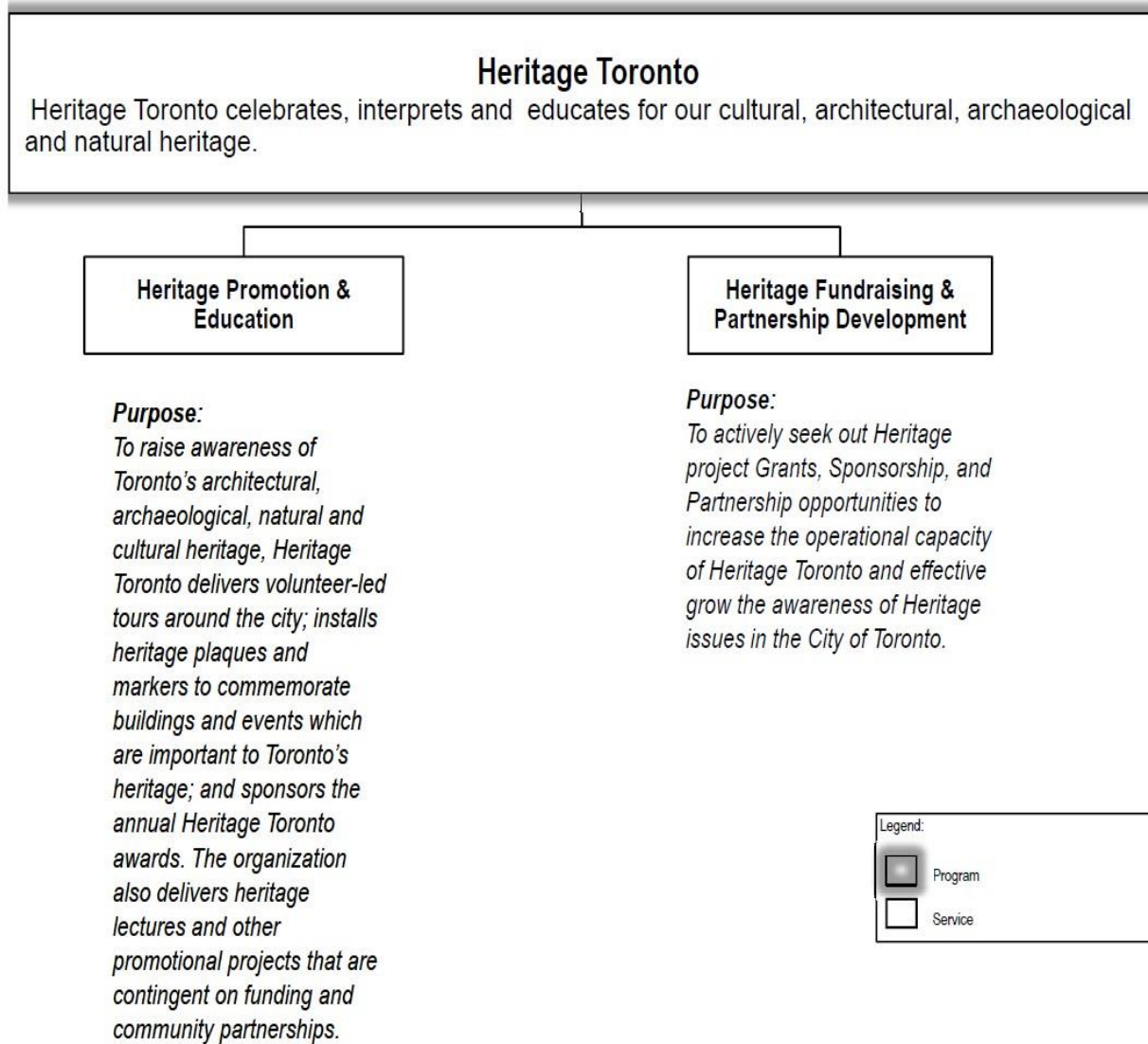


## **Part I:**

2016 – 2018

Service Overview and  
Plan

# Program Map



**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  | \$              | \$                | \$                    | \$                | \$           | \$                   | %              | \$                                    | % | \$   | % |
| <b>Heritage Fundraising &amp; Partnership Development</b> |                 |                   |                       |                   |              |                      |                |                                       |   |      |   |
| Gross Expenditures  | 277.3           | 255.8             | 264.0                 |                   | 264.0        | (13.3)               | (4.8%)         |                                       |   |      |   |
| Revenue   | 77.0            | 67.0              | 191.0                 |                   | 191.0        | 114.0                | 148.1%         |                                       |   |      |   |
| <b>Net Expenditures</b>                                   | <b>200.3</b>    | <b>188.8</b>      | <b>73.0</b>           |                   | <b>73.0</b>  | <b>(127.3)</b>       | <b>(63.6%)</b> |                                       |   |      |   |
| <b>Heritage Promotion &amp; Education</b>                 |                 |                   |                       |                   |              |                      |                |                                       |   |      |   |
| Gross Expenditures  | 484.2           | 424.2             | 504.4                 |                   | 504.4        | 20.2                 | 4.2%           |                                       |   |      |   |
| Revenue   | 372.5           | 303.0             | 268.5                 |                   | 268.5        | (104.0)              | (27.9%)        |                                       |   |      |   |
| <b>Net Expenditures</b>                                   | <b>111.7</b>    | <b>121.2</b>      | <b>235.8</b>          |                   | <b>235.8</b> | <b>124.2</b>         | <b>111.2%</b>  |                                       |   |      |   |
| <b>Total</b>  |                 |                   |                       |                   |              |                      |                |                                       |   |      |   |
| Gross Expenditures  | 761.5           | 680.0             | 768.4                 |                   | 768.4        | 6.9                  | 0.9%           |                                       |   |      |   |
| Revenue   | 449.5           | 370.0             | 459.5                 |                   | 459.5        | 10.0                 | 2.2%           |                                       |   |      |   |
| <b>Total Net Expenditures</b>                             | <b>312.0</b>    | <b>310.0</b>      | <b>308.9</b>          |                   | <b>308.9</b> | <b>(3.1)</b>         | <b>(1.0%)</b>  |                                       |   |      |   |
| <b>Approved Positions</b>                                 | <b>7.0</b>      | <b>7.0</b>        | <b>7.0</b>            |                   | <b>7.0</b>   |                      |                |                                       |   |      |   |

\* Based on the 2015 9-month Operating Variance Report

The Heritage Toronto’s 2016 Operating Budget is \$0.768 million gross and \$0.309 million net, representing a 1% decrease to the 2015 Approved Net Operating Budget and is in line with the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to an increase in non-labour related costs.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings through a reduction to general office supplies with no impact on service.
- The 2016 Operating Budget does not include any service changes or new and enhanced service priorities.
- Approval of the 2016 Operating Budget will not change Heritage Toronto's staff complement.
- Heritage Toronto does not anticipate any incremental changes in 2017 and 2018.

**Table 2**  
**Key Cost Drivers**

| (In \$000s)                                  | 2016 Operating Budget              |            |                                |              | 2016 Base Budget |          |
|--|------------------------------------|------------|--------------------------------|--------------|------------------|----------|
|  | Heritage Fundraising & Partnership |            | Heritage Promotion & Education |              | Total            |          |
|  | \$                                 | Position   | \$                             | Position     | \$               | Position |
| <b>Gross Expenditure Changes</b>             |                                    |            |                                |              |                  |          |
| <b>Other Base Changes</b>                    |                                    |            |                                |              |                  |          |
| Salaries and Employment Benefits Adjustment  | 45.6                               | 0.6        | (54.9)                         | (0.6)        | (9.3)            |          |
| Non-Labour Related Costs                     | (58.9)                             |            | 78.6                           |              | 19.7             |          |
| General Office Supplies - Efficiencies       |                                    |            | (3.5)                          |              | (3.5)            |          |
| <b>Total Gross Expenditure Changes</b>       | <b>(13.3)</b>                      | <b>0.6</b> | <b>20.2</b>                    | <b>(0.6)</b> | <b>6.9</b>       |          |
| <b>Revenue Changes (Increase) / Decrease</b> |                                    |            |                                |              |                  |          |
| Donations                                    | (74.0)                             |            | 46.5                           |              | (27.5)           |          |
| Federal and Provincial Subsidies             |                                    |            | 68.2                           |              | 68.2             |          |
| Other Revenues                               | (40.0)                             |            | (10.7)                         |              | (50.7)           |          |
| <b>Total Revenue Changes</b>                 | <b>(114.0)</b>                     |            | <b>104.0</b>                   |              | <b>(10.0)</b>    |          |
| <b>Net Expenditure Changes</b>               | <b>(127.3)</b>                     | <b>0.6</b> | <b>124.2</b>                   | <b>(0.6)</b> | <b>(3.1)</b>     |          |

Key cost drivers for Heritage Toronto are discussed below:

- Other Base Changes:
  - Increases are primarily due to non-labour costs such as service and rent expenses.
- Revenue Changes:
  - A loss of federal and provincial funding will be partially offset by increased donation and sundry revenues for the Plaques & Markers Program, iPhone apps and lecture series.





## **Part II:**

2016 Budget by  
Service

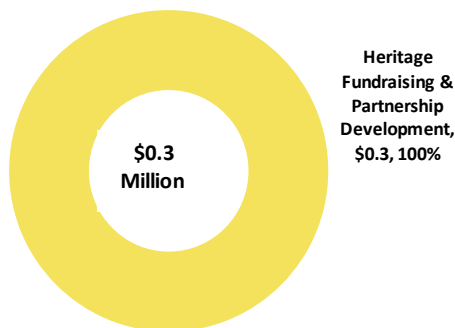
# Heritage Promotion & Education



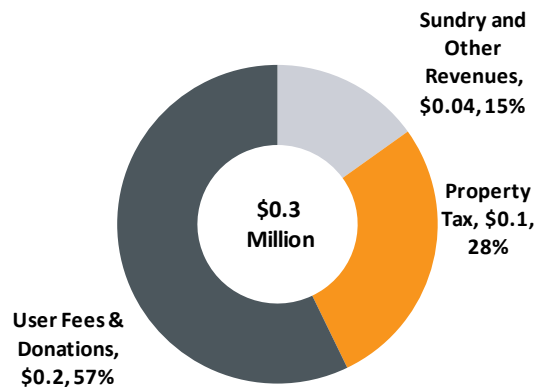
## What We Do

- Raise awareness of Toronto's architectural, archaeological, natural and cultural heritage.
- Deliver volunteer-led walks, cycling and bus tours around the City.
- Install plaques and markers to commemorate buildings and events which are important to Toronto's heritage.
- Deliver heritage lectures and other promotional projects that are contingent on funding and community partnerships.

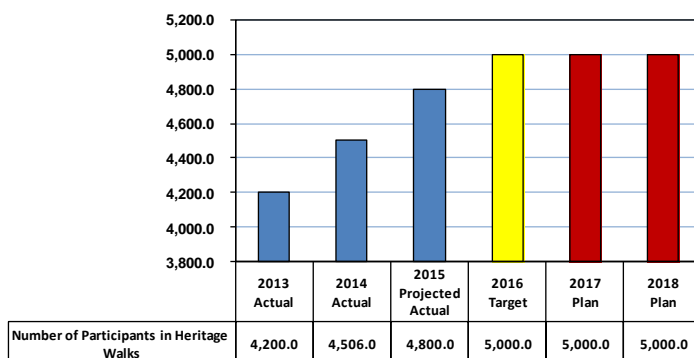
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



## Key Output Measure – Number of Participants in Heritage Walks



- After a few years of steady growth in attendance, Heritage Toronto expects participation in Heritage Walks to remain steady at 5,000 individuals in 2016, 2017 and 2018.

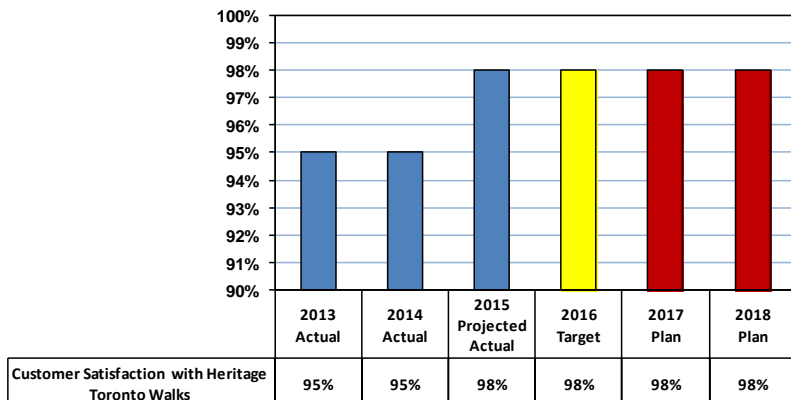
### 2016 Service Levels Heritage Promotion and Education

| Type                       | Status   | 2013   | 2014   | 2015   | 2016   |
|----------------------------|----------|--|--|--|--|
| Plaques and Markers        | Approved | Install 80 plaques and markers on an annual basis                                      |  | Install 40 plaques and markers on an annual basis  | Install 40 plaques and markers   |
| Heritage Awards            | Approved | Annual Heritage Awards presented with a focus on increasing audience to 900 people     |  |  | Annual Heritage Awards presented with a focus on increasing audience to 900 people             |
| Heritage Lectures          | Approved | Deliver one heritage lecture per quarter   |  | Deliver one heritage lecture every two months  | Deliver one heritage lecture every quarter   |
| Heritage Tours             | Approved | Test rides in Etobicoke, Scarborough and North York                                    | 10% growth in Bike Tours   | 10% growth in Bike Tours   | 5% growth in Bike Tours  |
|                            | Approved | Test tours with City of Toronto Culture and Ontario Black History society              | 10 % growth in Bus Tours   | 10% growth in Bus Tours  | 5% growth in Bus Tours   |
|                            | Approved | Diversity from Walk Tours to Tours Program (i.e. bus, cycling and paid boutique walks) | 10% growth in Walk Tours   | 10% growth in Walk Tours   | 5,000 Walk Tours   |
| Liaisons & Consultations   | Approved | Begin plans for the 2014 Heritage Voices report  | Have 100% representation of all Heritage organizations to contribute to the performance report | Have 100% representation of all Heritage organizations to contribute to the performance report | Have 100% representation of all Heritage organizations to contribute to the performance report |
| Print/On-line Publications | Approved | Update Website to better share archival publications                                   | Provide new monthly cultural contributions to the on-line publications                         | Provide new monthly cultural contributions to the on-line publications                         | Provide new monthly cultural contributions to the on-line publications                         |

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

## Service Performance

### Effectiveness Measure – Customer Satisfaction with Heritage Toronto Walks



- Heritage Toronto measures the satisfaction levels of customers of the Heritage Walks through regular surveys.
- Customer satisfaction was recorded at 98% for 2015.

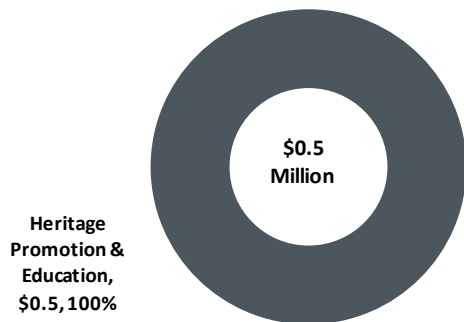
## Heritage Fundraising & Partnership Development

### Heritage Fundraising & Partnership Development

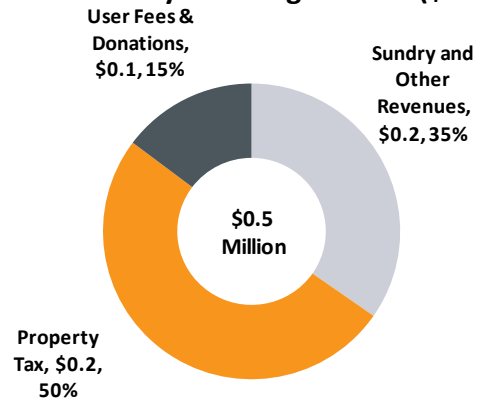
#### What We Do

- Actively seek our Heritage project grants, sponsorship and partnership opportunities to increase the operational capacity of Heritage Toronto and effectively grow awareness of heritage issues in the City of Toronto.

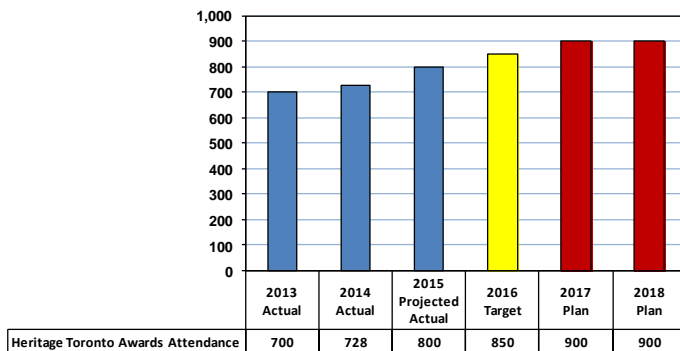
2016 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Key Output Measure – Heritage Toronto Awards Attendance



- Heritage Toronto tracks attendance at the annual Awards & Lecture event to raise funding through increased sponsorship and awareness of Heritage Toronto's work.
- The attendance goal for 2016 is 850 people with 900 expected in 2017 and 2018.

## 2016 Service Levels

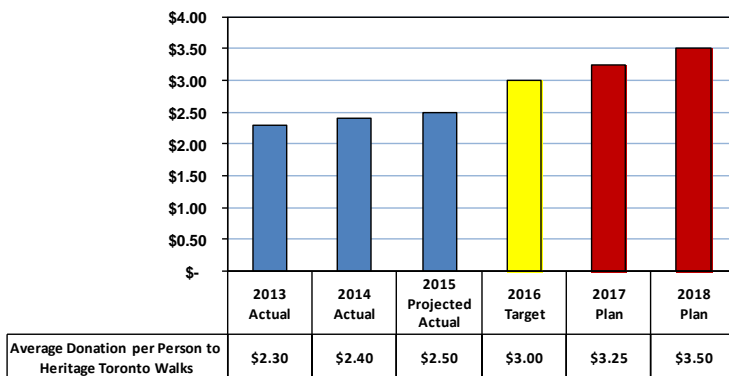
### Heritage Fundraising & Partnership Development

| Type                  | Status   | 2013  | 2014 | 2015 | 2016  |
|-----------------------|----------|---|------|------|---|
| Federal Grants        | Approved | Maintain 15% of operations funded from Federal Grants                   |      |      | Maintain 15% of operations funded from Federal Grants                   |
| Provincial Grants     | Approved | Maintain 25% of operations funded from Provincial Grants                |      |      | Maintain 25% of operations funded from Provincial Grants                |
| Charitable Donations  | Approved | Increase the number of donations to HT by 10%                           |      |      | Increase the number of donations to HT by 10%                           |
| Corporate Sponsorship | Approved | Longterm commitments from corporate sponsors around 5%                  |      |      | Longterm commitments from corporate sponsors around 5%                  |
| Partnerships          | Approved | Retain 25% of secured partnership value for Heritage Toronto operations |      |      | Retain 25% of secured partnership value for Heritage Toronto operations |

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

## Service Performance

### Effectiveness Measure – Average Donation per Person to Heritage Toronto Walks



- Self-generated fundraising activities, through Memberships, individual donations, ticket sales and Corporate Sponsorship, are increasingly important to allow Heritage Toronto to meet its key service objectives and reduce its reliance on City funding.
- In the period 2016 to 2018, Heritage Toronto projects raising 60% of its gross expenditures from the above sources.
- The average donation received per person at a free Heritage Walk was \$2.50 in 2015.
- The goal is to increase the average donation to \$3.00 per person in 2016, \$3.25 in 2017 and \$3.50 in 2018.



## **Part III:**

Issues for Discussion

## Issues for Discussion

### Issues Impacting Future Year

#### *St. Lawrence Hall Re-Configuration*

- Reconfiguration within St. Lawrence Hall, (where Heritage Toronto's office is located) may include moving Heritage Toronto from the 3rd to 2nd floor in 2018.
- This may result in additional costs in 2018 which are not yet known.
- As these costs become known, next steps will involve Heritage Toronto and Financial Planning Division staff budgeting these costs accordingly.



## **Appendices:**



## Appendix 1

### 2015 Service Performance

#### 2015 Key Service Accomplishments

In 2015, Heritage Toronto accomplished the following:

- ✓ Heritage Toronto released its "State of Heritage Report" in February 2015 to increase public awareness of heritage issues.
- ✓ Delivered the 41<sup>st</sup> annual Heritage Toronto Awards and 19<sup>th</sup> annual Kilbourn Lecture, with an increase in the number of nominated projects and attendance at the event
- ✓ Delivered Black History Month programming in schools across the city through federal government partnerships

## Appendix 2

### 2016 Operating Budget by Expenditure Category Program Summary by Expenditure Category

| Category of Expense<br>(\$000's)        | 2013           | 2014           | 2015           | 2015           | 2016           | 2016 Change from |               | Plan           |                |
|---|----------------|----------------|----------------|----------------|----------------|------------------|---------------|----------------|----------------|
|   | Actual         | Actual         | Budget         | Projected      | Budget         | 2015 Approved    |               | 2017           | 2018           |
|   | \$             | \$             | \$             | \$             | \$             | \$               | %             | \$             | \$             |
| Salaries and Benefits                   | 501,100        | 543,376        | 550,300        | 550,300        | 540,926        | (9,374)          | (1.7%)        | 540,926        | 540,926        |
| Materials and Supplies                  | 67,500         | 99,465         | 70,400         | 58,934         | 67,887         | (2,513)          | (3.6%)        | 67,887         | 67,887         |
| Equipment                               |                |                |                |                |                |                  |               |                |                |
| Services & Rents                        | 135,100        | 120,440        | 133,500        | 63,500         | 158,300        | 24,800           | 18.6%         | 158,300        | 158,300        |
| Contributions to Capital                |                |                |                |                |                |                  |               |                |                |
| Contributions to Reserve/Res Funds      | 1,500          | 1,075          | 1,266          | 1,266          | 1,266          | 0                | 0.0%          | 1,266          | 1,266          |
| Other Expenditures                      |                | 6,100          | 6,000          | 6,000          |                | (6,000)          | (100.0%)      |                |                |
| Interdivisional Charges                 |                |                |                |                |                |                  |               |                |                |
| <b>Total Gross Expenditures</b>         | <b>705,200</b> | <b>770,456</b> | <b>761,466</b> | <b>680,000</b> | <b>768,379</b> | <b>6,913</b>     | <b>0.9%</b>   | <b>768,379</b> | <b>768,379</b> |
| Interdivisional Recoveries              |                |                |                |                |                |                  |               |                |                |
| Provincial Subsidies                    | 7,300          | 4,090          | 36,200         | 36,200         |                | (36,200)         | (100.0%)      |                |                |
| Federal Subsidies                       | 18,400         |                | 70,000         | 70,000         | 38,000         | (32,000)         | (45.7%)       | 38,000         | 38,000         |
| Other Subsidies                         | 154,600        |                |                |                |                |                  |               |                |                |
| User Fees & Donations                   | 40,500         | 191,280        | 192,500        | 183,000        | 220,000        | 27,500           | 14.3%         | 220,000        | 220,000        |
| Transfers from Capital Fund             |                |                |                |                |                |                  |               |                |                |
| Contribution from Reserve/Reserve Funds |                |                |                |                |                |                  |               |                |                |
| Sundry Revenues                         | 172,600        | 263,286        | 150,800        | 80,800         | 201,500        | 50,700           | 33.6%         | 201,500        | 201,500        |
| <b>Total Revenues</b>                   | <b>393,400</b> | <b>458,656</b> | <b>449,500</b> | <b>370,000</b> | <b>459,500</b> | <b>10,000</b>    | <b>2.2%</b>   | <b>459,500</b> | <b>459,500</b> |
| <b>Total Net Expenditures</b>           | <b>311,800</b> | <b>311,800</b> | <b>311,966</b> | <b>310,000</b> | <b>308,879</b> | <b>(3,087)</b>   | <b>(1.0%)</b> | <b>308,879</b> | <b>308,879</b> |
| <b>Approved Positions</b>               | <b>6.0</b>     | <b>7.0</b>     | <b>7.0</b>     | <b>7.0</b>     | <b>7.0</b>     |                  |               | <b>7.0</b>     | <b>7.0</b>     |

\* 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.

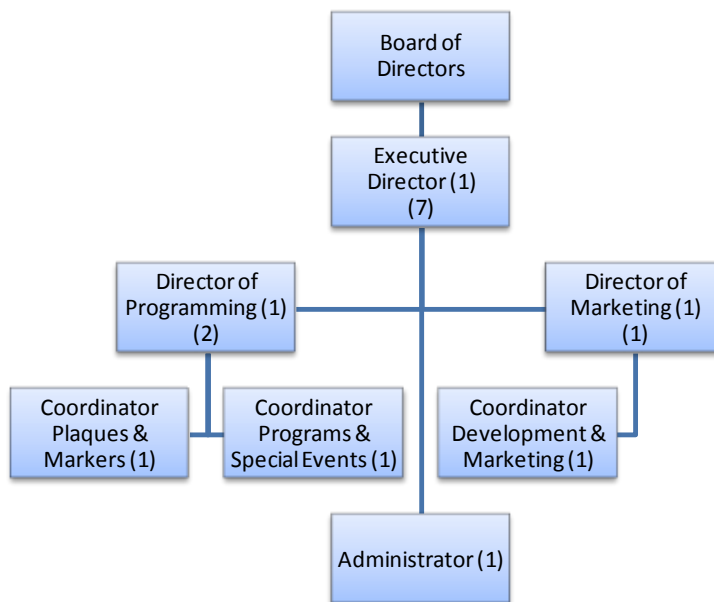
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

#### Impact of 2015 Operating Variance on the 2016 Budget

- The 2015 Operating Variance informed the 2016 Operating Budget process, on which Heritage Toronto achieved the 1% reduction target through underspending on materials and supplies, and services and rents with no impact on the service levels.

### Appendix 3

#### 2016 Organization Chart



#### 2016 Complement

| Category     | Senior Management | Management | Exempt Professional & Clerical | Union | Total |
|--------------|-------------------|------------|--------------------------------|-------|-------|
| Permanent    | 3.0               | 3.0        | 1.0                            |       | 7.0   |
| Temporary    |                   |            |                                |       |       |
| <b>Total</b> | 3.0               | 3.0        | 1.0                            |       | 7.0   |

## 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      |
|   |                               | \$                                      | \$                                  | \$        | \$        |
| <b>Projected Beginning Balance</b>                                |                               | 25,335.2                                | 25,335.2                            | 12,018.0  | 2,712.0   |
| Insurance Reserve Fund  | XR1010                        |   |                                     |           |           |
| <i>Proposed Withdrawals (-)</i>                                   |                               |   |                                     |           |           |
| <i>Contributions (+)</i>  |                               |   | 1.3                                 | 1.3       | 1.3       |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b>         |                               | 25,335.2                                | 25,336.4                            | 12,019.3  | 2,713.3   |
| <b>Other Program / Agency Net Withdrawals &amp; Contributions</b> |                               |   | (13,318.4)                          | (9,307.3) | (4,513.8) |
| <b>Balance at Year-End</b>  |                               | 25,335.2                                | 12,018.0                            | 2,712.0   | (1,800.5) |

\* Based on 9-month 2015 Reserve Fund Variance Report