

Donald G. Eastwood
General Manager, Economic Development, Culture & Tourism**Culture**
Toronto City Hall, 9th Floor, East Tower
100 Queen Street West,
Toronto, Ontario M5H 2N2Tel: (416) 397-5323
Fax: (416) 392-5600
Email: rdavies@toronto.ca

2007 BUDGET BRIEFING NOTE

Toronto Arts Council 2007 Operations Budget Submission

Issue/Background:

The Toronto Arts Council proposed three operating business cases for the 2007 Operating Budget that included an additional:

- \$10,000 to compensate for an increase in the renewal of their office space lease;
- \$15,000 to update their website and grants database; and
- \$53,600 for staff compensation and benefits.

The Toronto Arts Council negotiated a competitive rate when renewing their lease that expired in October 2006 and \$10,000 represents the actual cost increase. Furthermore, an upgrade to the Toronto Arts Council web site and database was recommended in a City staff report in 2005 and has not been implemented to date.

The Toronto Arts Council's submission for an increase for salaries and benefits of \$53,600 includes a cost of living increase of 3.25% (\$23,586) and an additional \$30,000 to allow individual staff to move through established salary ranges as appropriate to recognize seniority and merit.

Key Points:

- A 3% merit increase applied to TAC staff compensation would amount to \$21,723 as opposed to the \$30,000 requested by the TAC.
- Using the City standard of a 3% merit increase as well as the proposed 3.25% for cost of living to the TAC compensation and benefits would be \$23,600 (cost of living) and \$21,723 (merit increases). The total submission would be \$45,323 as opposed to \$53,600.
- The report prepared by City staff in 2005 determined that the pay scale for employees working at the Toronto Arts Council is within the range for comparable jobs at other granting organizations.
- The City has recommended an increase of \$34,000 to the 2007 Operating Budget for the TAC Operation program, totaling at \$983,300 for 2007.

Questions & Answers:

Q: What is the increase in funding to be used for?

A: The resources will be used to compensate for an increase in the renewal of the Toronto Arts Council's office space lease; to update their website and grants database as well as for TAC staff merit increases, cost of living compensation and benefits.

Q: Is all of the Toronto Arts Council's budget submission appropriate?

A: The Toronto Arts Council negotiated a competitive rate when renewing their lease that expired in October 2006 and \$10,000 represents the actual cost increase.

Furthermore, \$15,000 towards an upgrade to the Toronto Arts Council's web site and database was recommended in a City staff report in 2005 and has not been implemented to date.

However, a submission of \$45,323 as opposed to \$53,600 would be a more appropriate for staff compensation and benefits at the Toronto Arts Council since it would be commensurate with the City of Toronto's compensation practices.

Prepared by & Further Information: Lori Martin, Senior Cultural Affairs Officer, Cultural Affairs, (416) 392-5225

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