



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

CreateTO 2019 Budget Request

Date: November 27, 2018

To: The Board of Directors of CreateTO

From: Chief Financial Officer (CFO), CreateTO

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report deals with personal matters about identifiable persons and contains financial information that belongs to the Board of Directors of CreateTO and has monetary value or potential monetary value.

SUMMARY

The purpose of this report is to recommend the Board of Directors of CreateTO to approve the CreateTO 2019 budget.

RECOMMENDATIONS

The Chief Financial Officer recommends that:

1. The Board of Directors of CreateTO recommend that City Council approve CreateTO's 2019 Budget request of \$13.005 million gross, and \$0 net.
2. The Board of Directors of CreateTO direct that the attachment to this report remain confidential as it deals with personal matters about identifiable persons and contains financial information that belongs to the Board of Directors of CreateTO and has monetary value or potential monetary value.

FINANCIAL IMPACT

Table 1 and 2 below detail the 2019 CreateTO Operating Budget submission to be considered and adopted by the CreateTO board and referred to the 2019 Budget process for Budget Committee and City Council consideration.

Table 1: 2019 Requested Budget

(In \$000s)	2019	2018	Change
Expenses			
Human Resources	10,533	8,798	1,735
Professional Fees	133	776	(643)
Marketing & Communication	266	341	(75)
Board & Professional fees	110	230	(120)
Office Occupancy	706	702	4
Office Services/IT/Travel	757	587	170
Project Investigation costs	500	-	500
Total Expenses	13,005	11,434	1,571
Revenue			
Contributions	13,005	11,434	1,571
Net Expenditure	0	0	0

Table 2: City Submission Format

(In \$000s)	2018 Approved Budget	2019 Requested Operating Budget				
		Base	New/Enhanced	Total Budget	Total Budget Vs 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
CreateTO						
Gross Expenditures	11,434	11,583	1,422	13,005	1,571	13.7%
Revenue	11,434	11,583	1,422	13,005	1,571	13.7%
Net Expenditures	0	0	0	0	0	0.0%

The existing operational activities of both Build Toronto Inc. (BT) and Toronto Port Lands Company (TPLC) will be used to fund CreateTO. Therefore, the CreateTO budget will be a net \$0 cost to the City.

Human resource expenses have increased primarily due to; 1) the annual impact of 2018 hires (\$0.5M); 2) Human resources harmonization initiatives (\$0.2M); and 3) 2019 new hires (\$0.9M).

Professional fees have decreased as a result of corporate specific costs (audit, legal and insurance) being recorded as part of the BT and TPLC operating budgets.

Marketing and communication costs have decreased due to one-time website and branding costs related to the agency launch.

Board and professional fees have decreased as a result of board fees being allocated between the agency and corporations (BT and TPLC). Overall fees are also lower due to fewer estimated board meetings in 2019 vs 2018.

Office occupancy costs are in line with 2018 and have been adjusted to reflect actual 2018 costs to date.

Office services, information technology (IT) and travel costs have increased primarily due to IT costs that were previously recorded as capital costs under BT and TPLC and are now being recorded as operating costs as per the City's budget process.

2019 budget includes project investigation costs (\$0.5M) necessary to perform investigative work to assess the feasibility of projects.

COMMENTS

Attached is the CreateTO 2019 budget request for the Board's consideration and approval.

At its meeting of November 27, 2018, the Boards of Directors of Build Toronto Inc. and Toronto Port Lands Company (TPLC) recommended approval of the 2019 CreateTO operating budget and approved the following motion:

"The Board of CreateTO request the City's Executive Committee to request that the City Manager and the CFO work with CreateTO to assess CreateTO's financial model against the objectives and financial impacts of City building projects including, but not limited to, the affordable housing strategy."

DECISION HISTORY

At its meeting on October 25, 2018, the Board of Directors of CreateTO considered a report on the budget and referred back to the Chief Financial Officer for further report. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.RA13.2>

At its meeting on May 24, 25 and 26, 2017, City Council considered and adopted a new real estate service delivery model for the City government that centralizes all real estate activities City-wide, including all real estate strategy and portfolio planning, major building projects, developments, real estate transactions and facilities management. <https://www.toronto.ca/legdocs/mmis/2017/ra/bgrd/backgroundfile-108969.pdf#page=2>

CONTACT

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SIGNATURE

Jaspreet Hansra-Kulasingam
Chief Financial Officer

ATTACHMENTS

Confidential Attachment 1 - CreateTO 2019 Operating Budget