



CreateTO 2021 Operating Budget

Date: November 17, 2020
To: The Board of Directors
From: Chief Financial Officer
Wards: All

SUMMARY

The 2021 CreateTO Operating Budget represents a decrease of \$0.062 million over the 2020 budget.

The 2021 CreateTO Operating Budget includes the addition of one fulltime position, a portfolio strategy analyst, increasing the total staffing complement to 69 employees.

RECOMMENDATIONS

The Chief Financial Officer recommends that:

The Board of Directors of CreateTO recommend that City Council approve CreateTO's 2021 Operating Budget of \$14.598 million gross, and \$0 net.

FINANCIAL IMPACT

Table 1 below details the 2021 CreateTO Operating Budget submission compared to the 2020 budget.

Table 1: 2021 Budget Compared to 2020 Budget

(in 000s)	2020 Budget	2021 Budget	Change
	\$	\$	\$
Revenue			
Service Fees	13,191	13,462	271
Project Management Fees			
Housing Now	623	392	(231)
ModernTO	445	-	(445)
Rail Deck Park	150	150	-
Other Revenue	251	594	343
	14,660	14,598	(62)
Expenditures			
Human Resources	11,750	12,000	250
Professional Fees	318	344	26
Marketing & Communication	202	157	(45)
Office Occupancy	721	518	(203)
Office & Other Services	1,169	1,079	(90)
Project Investigative Costs	500	500	-
	14,660	14,598	(62)
Net expenditures	0	0	0
Staff Complement	68	69	1

Revenue

Service fees reflect funding from Build Toronto Inc. and Toronto Port Lands Company. This amount will fluctuate on an annual basis to ensure that net expenditures are nil.

Project management fees reflect staffing costs to be recovered for work performed on key City initiatives such as Housing Now and ModernTO. As part of the 2021 capital budget process, CreateTO has submitted additional funding requests through the Housing Secretariat and the Corporate Real Estate Management (CREM) Division. As budget requests are approved by Council these numbers will be updated.

Other revenue reflects staffing costs to be recovered from CREM, related to positions and functions transferred to CreateTO. This transfer of positions reflects the movement of functions to support the execution and implementation of the City Wide Real Estate Strategy. In 2020 the positions have moved and are part of CreateTO's staff complement. The recovery of costs related to these positions will continue to be recovered from CREM until an appropriate long-term funding strategy is established. Management will report back in 2021 on the long-term funding strategy for CreateTO.

Expenditures

Human resource expenses have increased by \$0.25 million primarily due to the annualized impact of 2020 resources.

Professional fees have increased marginally, reflecting higher consulting costs.

Marketing and communication costs have been adjusted to be in line with projected 2020 expenditures.

Office occupancy costs have decreased as a result of anticipated savings from moving to a City owned facility, effective July 1, 2021.

Office and other services costs have decreased due to lower estimated moving costs vs those anticipated in 2020.

DECISION HISTORY

Budgets for CreateTO are required to be submitted on an annual basis to the Board, and ultimately to City Council for approval.

<https://www.toronto.ca/legdocs/municode/toronto-code-215.pdf>

COMMENTS

In 2021 CreateTO will continue to identify, evaluate and provide strategic real estate solutions to meet the needs of the City of Toronto. The resources outlined in the 2021 CreateTO Operating budget will be deployed to execute on the following priorities.

1. Deliver Affordable Housing: CreateTO will continue to work with our City partners to create and advance solutions that meet the vital housing needs of Torontonians. In particular, CreateTO will continue to execute the Housing now and Modular Housing mandates by moving sites through the due diligence process, the marketing process as applicable, and by continuing to identify additional sites to support these key initiatives.

2. Advance the City-wide Portfolio Strategy and associated asset strategies: In particular, CreateTO will continue to advance the Office Optimization Strategy, ModernTO, the Industrial Yards Consolidation Strategy and begin work analyzing the Parking portfolio.

3. Facilitate City Building: CreateTO will continue to leverage Toronto's real estate portfolio to create new and better opportunities for the benefit of the City and its residents. In particular CreateTO will continue to advance projects such as, the Etobicoke Civic Centre, Rail Deck Park and Parkdale Hub.

4. Support Port Lands Development: Continue to advance the long-term vision for a sustainable new community in the heart of Toronto, by acting as a responsible steward of City assets in the port lands and support the ongoing flood protection work by Waterfront Toronto.

The key risk and challenge faced by CreateTO continues to be focused around its financial sustainability. Management continues to advance discussions on this item and will be reporting back in 2021 on its plan to address this issue and obtain buy-in from City stakeholders.

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SIGNATURE

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