CREATE TO

REPORT FOR ACTION

CreateTO 2023 Operating Budget

Date: September 28, 2022
To: The Board of Directors of CreateTO
From: Chief Executive Officer
Wards: All

SUMMARY

As part of the 2023 Budget process management has prepared its operating budget request for review and approval by the Board of Directors.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board of Directors of CreateTO approve CreateTO's 2023 Operating Budget of $17.68 million gross, and $0 net and direct the Chief Executive Officer to submit the budget to the City of Toronto as part of the 2023 budget process.

FINANCIAL IMPACT

The 2023 CreateTO budget request of $17.68 million, $0 net, represents a $0.85 million increase in gross expenditures and includes the addition of 1 full time position, increasing the total staffing complement to 81 employees.

The resources supported by the 2023 CreateTO Operating budget will be deployed to execute against key City initiatives such as advancing Housing Now, ModernTO and the City-wide Portfolio Strategy.

As shown in Table 1 below, the increase in expenditures over the 2022 budget is primarily due to increases in Salaries and benefits, Office services and Marketing costs offset by savings in Professional Fees.

Table 1: 2023 Budget Compared to 2022 Budget

(in 000s)	2023 Budget	2022* Budget	Change
	$	$	$
Revenue			
Management fees [1]	11,742	10,846	896
Housing secretariat capital [2]	3,262	3,532	(270)
Corporate real estate management (CREM) Capital [3]	1,553	1,359	194
Waterfront secretariat capital [4]	500	500	-
CREM operating [5]	625	594	31
	17,682	16,831	851
Expenditures			
Salaries and benefits [6]	15,199	14,486	713
Professional fees [7]	547	690	(143)
Marketing & promotion [8]	328	237	91
Office services & other[9]	1,108	918	190
Project investigative costs [10]	500	500	-
	17,682	16,831	851
Net expenditures	0	0	0
Staff Complement	81	80	1

* 2022 budget reflects in-year adjustment of $0.50 million from Waterfront Secretariat to support 3 FTEs and consulting costs, for a three-year period, for work being led by CreateTO for the Waterfront Revitalization Initiative

1. Management fees reflect funding from Build Toronto Inc. and Toronto Port Lands Company. This amount will fluctuate on an annual basis to ensure that revenues offset expenses for a net zero budget.

2. As part of the 2023 capital budget process, CreateTO has requested $3.26 million in capital funding from the Housing Secretariat to support the advancement of affordable housing projects. This request is subject to Council approval.

3. As part of the 2023 capital budget process, CreateTO has requested $1.55 million in capital funding from CREM to support the advancement of city projects. This request is subject to Council approval.

4. This amount represents funding for work led by CreateTO, for the Waterfront Secretariat, to advance Waterfront Revitalization Initiative projects involving CreateTO and/or City lands in the Port Lands, including due diligence, planning and project management services.

5. This amount represents operating funding provided by CREM to cover staffing costs related to the transfer of 4 FTE's and related functions to CreateTO. The initial transfer took place in 2020.

6. Salary and benefits have increased by $0.71 million. The increase over the 2022 budget is due to the cumulative impact of the new staffing request, cost of living

increases, the annual impact of 2022 vacancies and the return of staff from parental leave. See table 2 below for details regarding key items contributing to this increase.

The new staffing request is for a resource that will lead CreateTO's community consultation activities and manage the relationships with city-wide community stakeholders as well as external consultants.

Table 2: Key items contributing to the Human Resources increase over the 2022 budget

1. New FTE	$0.13M
2. Annualization (impact of 2022 vacancies & returning employees from parental leave)	$0.34M
3. COLA	$0.24M
Total	$0.71M

7. Professional fees have decreased by $0.14 million as a result of one-time costs incurred in 2022 to launch CreateTO's strategic plan and Diversity, Equity and Inclusion (DEI) plan.

8. Marketing and promotion costs are anticipated to increase by $0.09 million to facilitate a website redesign and upgrade.

9. Office services and other costs have increased by $0.19 million mainly due to inflationary pressure primarily related to higher insurance costs and IT operating costs along with higher office services costs reflecting a return to working from the office.

10. Project investigative costs represent funding required to support initial feasibility analysis prior to bringing projects/strategies to council for approval.

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 2023, CreateTO will continue to identify, evaluate and provide strategic real estate solutions to meet the needs of the City of Toronto. The resources supported by the 2023 CreateTO Operating Budget will be deployed to execute on the following priorities:

1. Delivery of 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 mandate 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. Managing the City's Real Estate Assets: CreateTO will continue to advance the City-wide Portfolio Strategy and associated asset strategies: In particular, CreateTO will continue to advance the Office Optimization strategy (ModernTO), capital planning for new acquisitions and construction and portfolio strategies for the City-wide parking, transit, library, and industrial portfolio.

3. Creating Opportunities for City Building: CreateTO will continue to work collaboratively with City stakeholders, external partners and community members to develop real estate solutions that are innovative in their approach and effective in their design and delivery – creating more livable, sustainable and inclusive communities. In particular, CreateTO will continue to advance projects such as St. Lawrence Centre for the Arts, 260 Adelaide and the Wellington Destructor.

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, supporting the ongoing flood protection work by Waterfront Toronto and supporting the further development of the film industry in the Port.

5. Environmental Sustainability: CreateTO will continue to advance the City's sustainability objectives on a number of fronts, including the delivery of low carbon thermal energy across the Bloor-Kipling (Six Points) site; through the remediation of contaminated lands to prepare underutilized sites for sustainable development; and in piloting sustainable construction methods through the use of mass timber at 1117 Dundas Street West).

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SIGNATURE

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