

TRANSMITTAL NO. 2024-173
(Public)

May 29, 2024

TO: Neethan Shan, Acting Chair, Toronto District School Board (TDSB)

This communication is to inform you of a recent decision made by the TLC Board at its meeting of May 28, 2024, regarding the report *TLC 2024-25 Annual Capital Budget*, attached herein.

The TLC Board decided:

1. That the 2024-25 TLC Capital Budget be approved in accordance with the Shareholder's Direction, referred to TDSB Finance Staff and then to TDSB Board for approval.

On behalf of the Board of Directors of the Toronto Lands Corporation, the *TLC 2024-25 Annual Capital Budget* report is being forwarded to the TDSB Board at its October 9, 2024 meeting for approval.

Sincerely,



John Filion
Chair, TLC Board

cc. Leola Pon, Associate Director, Organizational Transformation and Accountability, TDSB
cc. Paul Koven, Executive Officer, Legal Services
cc. Craig Snider, Executive Officer, Business Services, TDSB
cc. Ryan Glenn, Interim CEO, TLC

2024-25 TLC ANNUAL CAPITAL BUDGET

COMMITTEE: Audit and Finance Committee
DATE: May 9, 2024
ACTION: APPROVAL

COMMITTEE RECOMMENDATION

2. That the 2024-25 TLC Capital Budget be approved in accordance with the Shareholder's Direction, referred to TDSB Finance Staff and then to TDSB Board for approval.

STAFF RECOMMENDATION

1. That the 2024-25 TLC Capital Budget be approved in accordance with the Shareholder's Direction, referred to TDSB Finance Staff and then to TDSB Board for approval.

EXECUTIVE SUMMARY

TDSB is required to annually complete and submit to the Ministry of Education a Board-approved Operating Budget and a separate Capital Budget no later than June 30 for each fiscal year starting September 1. As a part of TDSB's budget process, TLC's approved Annual Capital Budget is consolidated into TDSB's submission.

TDSB's Capital Budget accounts for all anticipated capital revenues derived from proceeds of disposition (PODs) and applicable Ministry capital funding. Within the budget, capital revenues are identified and then allocated to Board approved capital priority projects. The three-year capital timeline provides for projected cash flows to be matched with expenditures and year-over-year budget balances. Currently, TDSB's Capital Budget and associated program remain in a net positive position.

TLC provides key inputs into TDSB's capital budget by identifying potential revenue opportunities, timing of anticipated receipt of PODs and the projected amount of PODs to be received by TDSB based on TDSB surplus declarations.

TLC's 2024-2025 Budget Preparation

Pursuant to Article 1 of the Shareholder's Direction, TLC's "Annual Budget" is defined as an "annual financial plan in a form consistent with industry best practices and will include an annual operating budget, annual capital and renewal budget, and any other such information as may be required."

Since TLC's inception in 2008, TDSB Finance has had direct responsibility for all TLC's financial recording and reporting. To this end, TLC works closely with TDSB Finance and the Executive Team to develop a financial plan that will enable TLC's work program to support TDSB's real estate and land use planning needs.

With the 2024-25 budget, TLC has focussed on containing controllable operating costs at a net decrease of 1% (\$72,333) even after accounting for a projected 1% salary increase, step increases and an increase of 4 FTE due to the essential need for an increase in staffing to bolster the organization's core purpose and support ongoing modernization initiatives.

The TLC 2024-25 Operating Budget received approval from TLC Audit and Finance on January 9, 2024, followed by the TLC Board on January 16, 2024, and the TDSB Board approval on January 31, 2024.

The 2024-25 Capital Budget was introduced for informational purposes at the Audit & Finance committee meeting on January 9, 2024 and at TDSB Board on January 31, 2024. The only change in the final Capital Budget (Appendix A) is an amended list of Proceeds of Disposition. After meeting with stakeholders at TDSB, the PODs for 2023-24 were amended from \$98.5M to \$64.8M and for 2024-25 from \$151M to \$72.1M. The adjustments are a better representation of the anticipated approval of surplus declarations by TDSB and subsequent approval of site sales by the EDU.

The TLC 2024-25 Capital Budget clearly separates and identifies projected Capital PODs and assigns related capital costs such as real-estate broker commissions, property appraisal reports, legal fees, surveys, heritage, environmental, and other due diligence reports required to generate sales proceeds. The \$72.1M capital revenues are directly related to the proceeds of disposition identified within TDSB's approved Capital Budget for 2024-25. After projected capital expenditures are offset by projected revenues to be obtained, TLC is projecting an expense ratio of 5%, thus returning 95% of projected revenues for TDSB's capital program.

STRATEGIC DIRECTION

Authority or Direction: [Shareholders Direction](#)

Reporting Requirement: [Toronto Lands Corporation \(TLC\) Annual Plan Progress](#)

That the Toronto Lands Corporation provides the TDSB with an annual budget for approval during their annual budget cycle.

ACTION PLAN AND ASSOCIATED TIMELINE

1. Presentation of final 2024-25 Capital Budget once reviewed and agreed with TDSB Finance to TLC Audit and Finance Committee (May 9, 2024) and Board of Directors (May 28, 2024)
2. Transmittal to the TDSB Board for approval at FBEC (May 30, 2024) and Board (June 19, 2024).

RESOURCE IMPLICATIONS

See attached appendices.

DUE DILIGENCE

The 2024–25 Toronto Lands Corporation budget was reviewed and agreed to with TDSB Finance team.

POLICY AND PROCEDURE REFERENCE(S)

Shareholders Direction

APPENDICES

APPENDIX A TLC's 2024-25 Capital Budget

FROM

Ryan Glenn, Interim Chief Executive Officer, Toronto Lands Corporation, at rglenn.tlc@tdsb.on.ca or at 437-219-8191.

APPENDIX A **TLC's 2024-25 Capital Budget**

CAPITAL BUDGET				
2024-25 [FINAL]				
	2023-24 Capital Budget		2024-25 Capital Budget	
	Revenues	Expenditures	Revenues	Expenditures
Proceeds of Disposition (PODs)				
Site A	X			
Site B	X			
Site C (Note 1)				
Site D (Note 2)				
Post Sale Adjustment (Note 3)	X			
Site E			X	
Site F			X	
Site G			X	
Site H			X	
Site I			X	
Site J			X	
Total Proceeds of Disposition	\$ 64,800,000		\$ 72,100,000	
NOTE 1: Property has been sold but w ill have an extended close. Proceeds w ill be realized in 2027/28.				
NOTE 2: Property may be sold in 2023/24 but w ill have an extended close. Proceeds w ill be realized in 2028.				
NOTE 3: David and Mary Thomson CI post-closing adjustment				
TLC Expenses Related to Proceeds of Dispositions				
Staff Salaries & Benefits		\$ 1,976,538		\$ 2,358,184
Facility Services		\$ 89,332		\$ 91,168
Business Services		\$ 66,249		\$ 70,522
Administrative Support Allocation		\$ 36,360		\$ 36,724
Legal Fees		\$ 400,000		\$ 255,000
Fees and Contractual Services		\$ 915,300		\$ 660,000
Board Remuneration		\$ 30,000		\$ 30,000
Professional Development & Certification		\$ 18,000		\$ 9,626
Supply and Services		\$ 55,983		\$ 55,983
Rental expenses: TLC office		\$ 82,039		\$ 66,359
Casual Help		\$ 14,400		\$ 7,200
Furniture and Equipment		\$ 4,200		\$ 4,200
Other expenditures		\$ 3,000		\$ 3,000
Total Expenses		\$ 3,691,400		\$ 3,647,966
Total Expenses Charged to POD		\$ 3,691,400		\$ 3,647,966
Net Contribution to TDSB		\$ 61,108,600		\$ 68,452,034