



WATERFRONToronto

**Chairs Committee Meeting – November 27, 2017**  
**Item 4 – 2018/2019 Human Resources Budget**  
**Lisa Taylor, Chief Financial Officer**

<b>Agenda Item</b>	Item 4, Chairs Committee, November 27, 2017
<b>Purpose</b>	For Chairs Committee Approval and Recommendation for Approval (as part of the 2018/19 Corporate Plan) to: <ul style="list-style-type: none"> <li>• the Finance, Audit &amp; Risk Management (FARM) Committee (Nov 30, 2017); and</li> <li>• the Board of Directors (Dec 7, 2017).</li> </ul>
<b>Key Message</b>	The 2018/19 HR Budget outlines Waterfront Toronto’s staff requirements for fiscal 2018/19.  These HR requirements are corporate wide and take into account the additional resources required to deliver on our 2018/19 strategic objectives relative to Port Lands Flood Protection and Quayside, as well as our existing priority projects.
<b>Areas of note/ Key issues</b>	<ul style="list-style-type: none"> <li>• The 2018/19 HR budget as presented is <b>\$15.2 million</b> for a total headcount (full time and contract positions) of <b>99 people</b>, of which 80 are full time and 19 are contract positions.</li> <li>• By comparison, the 2017/18 revised HR budget approved in Sept, 2017 was <b>\$11.2 million</b> for a total headcount of <b>79.5 people</b>.</li> <li>• With our two largest projects – Port Lands and Quayside – now underway, and as a result of a substantial workload increase, we are proposing to add 19.5 more positions in key areas such as operations, project delivery, accountability and public engagement.</li> <li>• The budget we are presenting is one that has been built on the experience of the team in understanding what is required (pg 1).</li> <li>• It is a budget that has some built in flexibilities, such as the use of contract positions (10 of the 19.5 new positions are contract roles), as well as several positions that are contingent on securing funding, such as that with Sidewalk Labs (pg 4-5).</li> <li>• Almost a third of new hires relate directly to Port Lands Flood Protection (5.5) and are fully funded (pg 4).</li> <li>• One new hire is at the executive level (Chief Operating Officer role) to ensure the smooth running of the Corporation during a period of unprecedented organizational change and transformation (pg 5).</li> </ul>
<b>Expected Outcome</b>	The Chairs Committee will review and recommend approval (as part of the 2018/19 Corporate Plan) to: <ul style="list-style-type: none"> <li>• the Finance, Audit &amp; Risk Management (FARM) Committee (Nov 30, 2017); and</li> <li>• the Board of Directors (Dec 7, 2017).</li> </ul>
<b>Key Takeaways/ Next Steps</b>	The approved HR Budget will: <ol style="list-style-type: none"> <li>1. Be incorporated into the 2018/19 Corporate Plan which will be presented for approval by the FARM Committee on Nov 30, 2017 and the Board of Directors on Dec 7, 2017; and will be</li> <li>2. Operationalized in the 2018/19 Recruitment and Hiring Plan.</li> </ol>

Please see 2018/2019 Human Resources Budget attached.

## **2018/19 HUMAN RESOURCES BUDGET**

The Human Resources (HR) budget is a significant part of the 2018/19 Corporate Plan to be approved by the Board of Directors on December 7, 2017. The HR budget establishes the corporate wide HR resources that will be required to deliver on our 2018/19 strategic objectives relative to Port Lands Flood Protection and Quayside, as well as our existing priority projects. The HR budget comprises approximately 80% of our overall Corporate Operating Budget. Other elements of the Corporate Operating Budget include office, occupancy, information technology, strategic initiatives, public engagement and amortization.

### *Process and Validation*

The process by which the required 2018/19 HR resources were arrived at included multiple corporate-wide discussions at the senior team level and at the executive team level of requirements analyzed by strategic project area. This ensured the effort was not a siloed one and premised on the experience of the team understanding what is required. The inter-departmental process also ensured we removed duplication of resources, seized opportunities to streamline and re-assign staff, and ultimately to prioritize which resources were required when.

In terms of validation of the process, we believe the budget to be reasonable and responsible. The flood protection process has received (and continues to receive) third party peer review that has included discussions of construction requirements and by extension, staff requirements. Further, with Ellis Don on board as the Construction Manager, we have a strong understanding of what Ellis Don will deliver and therefore, what Waterfront Toronto needs to be staffed to deliver. The outstanding 1.0 projects are known in terms of deliverables allowing us to be confident in the staff resources required. Quayside will evolve over the course of the next year particularly as the one-year work plan is created. This is why the majority of the Quayside resources are contingent upon the workplan being approved and funded. Finally, the Core Support Functions includes the provision for a new executive level position – Chief Operations Officer – in order to ensure the smooth running of the Corporation given the magnitude of organizational change and transformation taking place currently and anticipated over the next 12-24 months.

The following tables provide breakdowns of Waterfront Toronto’s proposed 2018/19 HR budget and headcount compared to the 2017/18 Amended HR Budget previously approved by the Board.

	2017/18	2018/19	Variance	
<i>\$ millions</i>	Amended (Board approved Sep 14/17)	Proposed (Chairs Committee Nov 27/17)	\$	%
Salaries and Benefits	\$ 10.5	\$ 14.7	\$ 4.2	40%
Directors Fees	0.2	0.2	-	0%
HR Management & Staff Development	0.5	0.3	(0.2)	-40%
<b>Total Human Resources Budget</b>	<b>\$ 11.2</b>	<b>\$ 15.2</b>	<b>\$ 4.0</b>	<b>36%</b>

  

	2017/18	2018/19	Variance
<i>Headcount - By Position Level</i>	Amended (Board approved Sep 14/17)	Proposed (Chairs Committee Nov 27/17)	Increase from 2017/18 Amended
Executive Staff (VP & up)	11.0	12.0	1.0
Directors	14.0	19.0	5.0
Professional Staff (includes Project Managers)	44.5	51.0	6.5
Support Staff (Admins & Coordinators)	10.0	17.0	7.0
<b>Total Headcount</b>	<b>79.5</b>	<b>99.0</b>	<b>19.5</b>

The total proposed HR Budget for 2018/19 is **\$15.2 million** for a total headcount (full time and contract positions) of **99 people**, of which 80 are full time and 19 are contract positions.

By comparison, the 2017/18 revised HR budget approved in Sept, 2017 was **\$11.2 million** for a total headcount of **79.5 people**.

With our two largest projects – Port Lands and Quayside – now underway, and as a result of a substantial workload increase, we are proposing to add 19.5 more positions in key areas such as operations, project delivery, accountability and public engagement.

This is \$4.0 million (36%) more than last year and is explained throughout the following sections.



*Key Assumptions*

The following key assumptions were made in developing this HR budget:

1. To the degree possible, contract positions have been assumed for approximately half (10.0) of the new roles, particularly for Quayside, Strategic Initiatives and some Core Support Function roles. This allows the Corporation some flexibility with respect to managing its proposed HR budget. The total portion of the \$15.2 million budget comprising contract positions – new and existing - is \$2.1 million (14%).
2. The Corporation is currently implementing a new Enterprise Resource Planning (ERP) system which is expected to result in significant streamlining, automations and efficiencies. This may also result in opportunities for us our to refocus our HR resources in future years.
3. A significant portion (5.5) of the total new hires (28%) relate directly to the Port Lands project. The cost of these new hires is fully funded by the Port Lands Flood Protection project budget of \$1.25 billion.
4. Currently a workplan is being developed for the Quayside project between Waterfront Toronto and Sidewalk Labs, which will be reviewed by the Board through the Quayside Committee. This will provide agreement on the portion of Quayside resources to be funded by Sidewalk Labs. As a result, the majority of all Quayside new positions are contingent on this workplan being approved and funded. The total portion of the budget comprising new Quayside contract positions is approximately \$0.8 million.
5. The 2018/19 HR Budget includes a provision of \$0.5 million for anticipated one-time salary increases as a result of the market based salary benchmarking exercise currently underway. The last time such a study was conducted was almost ten years ago and this initiative will help to ensure we are able to retain the core team required to deliver on our strategic objectives, as well as overall gender and peer pay equity.
6. The primary workload drivers inherent in this budget have been outlined on the following pages by strategic project cluster.

*Resource Requirements by Strategic Project Cluster*

The following table provides a summary of new positions by strategic project cluster, together with the total proposed headcount by cluster:

Project Clusters:	No. of Proposed New Hires for 2018/19			Total Proposed Headcount
	Permanent	Contract	Total Proposed New Hires	
Port Lands Flood Protection	5.5	-	5.5	19.0
Quayside	-	6.5	6.5	19.5
Core Support Functions (Finance, accounting, IT, HR, Operations, Program Management Office, Corporate Procurement, Legal, Office of CEO)	2.0	2.0	4.0	26.0
Strategic Initiatives (Partnerships, Government Relations, Communications and Public Engagement, Innovation, Sustainability and Prosperity)	1.0	1.0	2.0	12.0
Complete Communities	1.0	0.5	1.5	14.0
Public Spaces	-	-	-	6.5
Waterfront Transit	-	-	-	2.0
<b>Total Headcount</b>	<b>9.5</b>	<b>10.0</b>	<b>19.5</b>	<b>99.0</b>

Port Lands Flood Protection

The 5.5 new positions anticipated for the Port Lands Flood Protection project in 2018/19 are comprised primarily of four project manager roles and one project coordinator role. These positions will support the already existing senior roles (VP, Project Delivery and four Project Directors) which are or will be already in place by April 1, 2018, as well as the other existing resources dedicated to this project in areas such as planning and design, procurement, project controls, accounting and legal.

The project management of the Port Lands project will be supplemented by a third party, outsourced program manager role. The anticipated cost of this is not part of this HR Budget (rather it is part of the project budget). Reporting into the relevant Waterfront Toronto Project Directors, it is anticipated that the outsourced program manager will be responsible for day-to-day project management of Earthworks, Bridges, and Roads and Services. Waterfront Toronto internal resources will be responsible for senior leadership of the

overall project, as well as the day-to-day project management of Soil & Groundwater Management, Marine Works, and the River and Parks.

The key workload drivers for this project include:

- The magnitude of the capital budget - \$249 million for 2018/19, and \$1.25 billion over seven years;
- Twenty one distinct project elements to be managed under three core work streams – Civil & Earthworks, Structures & Marine Works, and Parks & Public Realm. All have significant impacts on volumes of procurements, contracts, invoicing, project controls, public engagement; communications, and stakeholder consultation; and
- Increased accountability and reporting requirements to the three orders of government.

#### Quayside

The 6.5 new positions anticipated for Quayside in 2018/19 are primarily contract positions and are focused in the areas of infrastructure/finance (Director level), project management, planning, urban design and communications/ public engagement. These positions will also be supplemented by outside technical advisors and/or partnerships in areas of data privacy policy and energy systems, as required.

The key workload drivers for this project include primarily the requirement for a multi-disciplinary team focused in areas of infrastructure finance, sustainability, public engagement and urban design to collaborate with key stakeholders and partners to develop the Master Innovation and Development Plan, as of which is net new work.

#### Core Support Functions

The 4.0 new positions anticipated for Core Support Functions in 2018/19 include a new Chief Operating Officer position required to ensure the smooth running of the Corporation given the magnitude of organizational change and transformation taking place currently and over the next 12-24 months, as well as three new support level new positions in the areas of HR, procurement and the Program Management Office (PMO).

The key workload drivers for this strategic cluster include:

- The sheer volume of organizational change and transformation taking place within Waterfront Toronto as a result of the implementation of the following initiatives largely simultaneously:
  - Port Lands and Quayside, two large and complex projects in themselves;
  - A new enterprise resource planning (ERP) system and the changes to business processes organization wide;

- Enhanced Risk Management Framework, including the implementation of a Program Management Office and Peer Review Advisory Panel;
  - Reconfiguration and expansion to office space at 20 Bay Street to accommodate planned headcount, as well as co-location of space for Quayside team with Sidewalk Labs;
  - Investments to IT, audio visual and video conferencing technology to support delivery of complex new projects;
  - Salary band benchmarking exercise, including review of gender and peer pay equity;
  - Organizational Performance Measurement and Reporting Framework together with a revamped Employee Performance Management Framework;
  - Enterprise Content Management Strategy, including digitization, retention and document filing guidelines/policies;
  - Development of the Corporation's five year business plan for Board approval in December, 2018
  - 2018/19 Recruitment and Hiring Plan (19.5 new hires) on top of the 16 new hires in 2017/18, including on-boarding; and
  - Creation of a Diversity & Inclusion program.
- The opportunity to streamline operations and administration functions leveraging the current integration initiatives underway currently through the streamlining of business processes, the implementation of a new ERP system and the formalization of a program management function; and
  - The smooth running and base of core support required as a result of the significant increase in the volume of project work associated with Port Lands and Quayside.

### Strategic Initiatives

The 2 new positions anticipated for Strategic Initiatives in 2018/19 include a partnerships coordinator and an administrative assistant. The intent is to also bring on public relations and government relations outsourced expertise to supplement our internal resources. This cost is part of the broader Corporate Operating Budget in the 2018/19 Corporate Plan.

The key workload drivers for this area include:

- Implementation of an integrated communications strategy including the new corporate narrative;
- Prototyping and testing of new engagement methods – both in-person and digital;
- Continuing our thought leadership strategy; and
- Ensuring communications robustness with regards to the key projects underway and the Waterfront Toronto brand.

Complete Communities and Public Spaces

The 2.5 new positions anticipated under Complete Communities and Public Spaces in 2018/19 are at the Director and Manager levels.

The key workload drivers for these areas include:

- Completion of all Waterfront Toronto Phase 1.0 projects including our fifteen development projects underway in Bayside, Dockside, Parkside and West Don Lands, public spaces projects including public art activation, as well as important new infrastructure projects such as the Queens Quay East and Parliament St intersection realignment.
- Existing staff have been fully or partly reassigned to Port Lands and Quayside, resulting in a need to backfill some positions.