

MINUTES of a meeting of the Finance, Audit and Risk Management Committee of the Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, April 9, 2015 at 12:30 p.m., local time.

PRESENT: Janet Graham (Chair)
David Johnson
Joe Pantalone

ABSENT:

The following management and staff were in attendance throughout the meeting: John Campbell, President and Chief Executive Officer; David Kusturin, Chief Operating Officer; Chad McCleave, Chief Financial Officer; Sandra Tran, Director of Finance and Enterprise Risk Management; Simon Karam, Senior Project Manager; Garth Lusby, Project Cost Controller; Sonya Pead, Articling Student and Interim Corporate Secretary.

As well, Joe Pendlebury, CRSP Cost Consultants (“CRSP”) and Stuart Galloway, MNP LLP were in attendance throughout the meeting.

The Chair, Janet Graham, took the chair and with consent of the Committee members, appointed Sonya Pead to act as secretary of the meeting.

The Chair declared that quorum of the Committee Members were present and that notice of the meeting having been duly sent to all Committee Members in accordance with the Corporation’s By-laws, the meeting was duly called and regularly constituted for the transaction of business.

1. Finance, Audit and Risk Management (“FARM”) Committee Mandate

The Chair, Janet Graham, tabled a revised FARM Committee Mandate that would include a review of all capital approvals prior to being tabled at the Board, as well as responsibility for the risk oversight function for specific projects identified by the Committee. She advised that the revised Mandate is consistent with the Board approved Capital Approval Process Policy. Discussion ensued and further revisions were suggested. It was agreed that the Chair would finalize the Mandate in accordance with the agreed upon revisions and circulate to all FARM members prior to tabling it with the Board for approval.

2. Port Lands Flood Protection and Related Infrastructure Due Diligence

David Kusturin provided a presentation on the Port Lands Flood Protection and Related Infrastructure Due Diligence and Project Planning, highlighting the following:

- The Port Lands Acceleration Initiative;
- The Don Mouth Naturalization Project;
- The Lower Don Lands Master Plan;
- The Planning Framework for Cousins Quay;
- The Film Studios Precinct Planning;

- The Villiers Island Precinct Plan;
- The scope of work for the entire project;
- Costs are estimates and dependent upon the way in which Waterfront Toronto moves forward and how the project is eventually phased;
- More than 20 projects have been identified to complete the flood protection and \$975 million is the best estimated budget at this point in time;
- Negotiations are under way with the three orders of government to finalize a funding commitment from each; and
- 2015/2016 objectives include:
 - continue commercial, technical and environmental due diligence work to maintain project momentum;
 - develop detailed execution plan for implementing flood protection and related infrastructure works; and
 - finalize tri-government funding commitment.

3. Adjournment of the Public Session

There being no further business other than matters to be considered in-camera, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that in accordance with Section 190 of the City of Toronto Act, in-camera matters were now to be considered. The Chair indicated to members of the public present that it was now in order for them to depart from the meeting. Members of the public then left the meeting. The meeting was then adjourned at 1:30 p.m. local time, to be momentarily reconvened as an in-camera meeting.

In Camera Session 1:30 p.m.

4. Minutes

The in-camera minutes of the February 11, 2015 and February 17, 2015 Risk Oversight Committee meetings were tabled for review and approval. Discussion ensued and revisions were made as noted.

Motion to be tabled during the public session of the meeting.

5. Port Lands Flood Protection – Capital Request

David Kusturin presented a report on the financial aspects of the Port Lands Project, highlighting the following:

- This is a capital expenditure of up to \$5 million;
- City Council approved the funding (\$5 million) for this capital expenditure on March 18, 2015; and

- Budgets are best estimates and based on the current scope.

Discussion ensued and the Committee suggested that a list of deliverables be provided once the \$5 million budget has been established.

Motion to be tabled during the public session of the meeting.

6. Queens Quay Revitalization (“QQR) Project

David Kusturin presented a report on the QQR Project updating the Committee on project costs, schedule and risk reporting. A detailed discussion regarding Hydro decommissioning and steps that can be taken to reduce costs on high risk items related to completing work on Queens Quay. The report was tabled for information and discussion purposes only.

The Committee requested that numbers accompany the risk register.

7. Bayside Phase 1

David Kusturin presented a report on the Bayside Phase I Project updating the Committee on project costs, schedule and risk reporting. A detailed discussion ensued and questions were posed and responded to. The report was tabled for information and discussion purposes only.

8. Bayside External Services

David Kusturin presented a report on the Stormwater/Sanitary Servicing Infrastructure Project and responded to questions from the Committee. The report was tabled for information and discussion purposes only.

9. Project Cost Report

The Chair tabled the revised Project Cost Report and a fulsome discussion ensued with the following suggestions made by the Committee:

- Organize the report by precinct ie: CWF, EBF;
- Organize the numbers into two categories “in process” and “completed”;
- Include actuals and percentage of completion in the report; and
- Include a schedule (GANTT chart) in the report.

Chad McCleave advised that going forward each capital approval will have its own separate work package.

The Chair raised a concern regarding the external check and balance to the budgets that project managers manage, citing the level of reporting the new format provides does not drill down enough to allow for appropriate oversight. She questioned the level at which Finance becomes involved vis-à-vis oversight of the budget. Chad McCleave indicated that the finance team does not have the resources to monitor projects at the cost and category code level.

It was agreed that the Committee would come back with thoughts on the proposed new format for project cost reporting.

10. Resolutions Arising from the In-Camera Session

Following the in-camera discussion the meeting was opened to the public and the following resolutions arising from the in-camera discussion were proposed and voted on:

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the in-camera minutes of the Risk Oversight Committee meeting held on February 11, 2015 and February 17, 2015 be and are hereby approved with revisions to the February 17, 2015 minutes as noted.

ON MOTION duly made, seconded and carried, be it **RESOLVED** that the FARM Committee hereby approves for recommendation to the Board, a capital expenditure of up to \$5 million to undertake due diligence and project initiation work required to advance the Port Lands Flood Protection and Related Infrastructure Project.

11. Termination of the Meeting

There being no further business, **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated at 4:00 p.m. local time.

Chair

Secretary of the Meeting