

Minutes of the 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, September 28, 2017 at 9:00 a.m., local time.

PRESENT: Susie Henderson, Chair
Denzil Minnan-Wong
Helen Burstyn (ex officio)

ABSENT: Julie Di Lorenzo

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular items as noted in these Minutes: William Fleissig, President and Chief Executive Officer; Lisa Taylor, Chief Financial Officer; David Kusturin, Chief Project Officer; Ian Beverley, General Counsel; Julius Gombos, Senior Project Director; and Ann Landry, Corporate Secretary.

Susie Henderson took the chair and with the consent of the Committee members present appointed Ann Landry to act as secretary of the meeting.

The Chair declared that a quorum of the Committee Members was 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. The meeting commenced at 9:00 a.m.

1. Motion to Approve Agenda

ON MOTION duly made by Denzil Minnan-Wong, seconded by Susie Henderson and carried, it was **RESOLVED** that the Meeting Agenda be approved.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Chairs Remarks

Susie Henderson noted that it was the first meeting of the Committee since the summer and that there was a great deal of activity upcoming for the Committee. She noted that with the transformation of the Corporation and the new large projects that it is undertaking the scope of the activities of the Committee may need to be considered as the work load is becoming very heavy.

4. Minutes – June 1, 2017

ON MOTION duly made by Denzil Minnan-Wong, seconded by Susie Henderson and carried, it was **RESOLVED** that the Minutes of the June 1, 2017 meeting of the Finance, Audit and Risk Management ("FARM") Committee were approved as presented.

5. 2017/2018 Corporate Capital Budget

As requested by the Board of Directors at its September 14, 2017 meeting, Lisa Taylor presented a review of the corporate capital budget of \$2.3 million, which is contained in the revised 2017/2018 Corporate Plan Amendment, for review and approval by the Committee. Ms. Taylor noted that \$1.0 million of the \$2.3 million was previously approved by the Board in either the original 2017/2018 Corporate Plan or is a deferred expenditure that was approved in the 2016/2017 Corporate Plan.

The \$1.0 million was approved for replacement of end of life computer server, Wi-Fi infrastructure and computer room HVAC (\$0.3 million) and for a cloud-based enterprise resource planning system (\$0.7 million). The remaining \$1.3 million is comprised of additional office space fit-out costs (\$0.3 million), replacement of audio visual and video conferencing equipment (\$0.4 million) and reconfiguration/refurbishment of the Town Hall and Main boardrooms (\$0.6 million). Regarding the fit-out costs, the Committee was advised that this expenditure was necessary to make the additional office space usable and to support the additional hires proposed in the 2017/18 Corporate Plan Amendment. Regarding the audio visual and video conferencing cost, it was noted that the audio visual equipment in the Main boardroom was past end of life and unreliable and that the cost estimate had been provided by one supplier, but that no vendor had yet been procured to supply equipment. Regarding the proposed expenditures for the two board rooms, the Committee was advised that these expenditures were being proposed to make the space more flexible and functional for uses other than formal meetings. For example, the board room table would be replaced with modular tables that could be configured in a variety of ways for formal meetings or for training or for collaboration or workshops. The Committee asked questions about the extent of these uses and whether the expenditure of these funds for this work was required.

ON MOTION duly made by Denzil Minnan-Wong, seconded by Susie Henderson and carried, it was **RESOLVED** that the Committee approved the \$1.0 million expenditure as proposed for the computer server, Wi-Fi Infrastructure, computer room HVAC and cloud based enterprise resource planning system and the \$0.3 million for office space fit-out costs.

The Committee declined to approve the expenditures for the audio visual/video conferencing equipment or for the reconfiguration/refurbishment of the board rooms and requested Management to provide the following additional information to support these proposed expenditures:

- A line by line breakdown of these budgets; and
- An alternative, economy version of these budgets

6. Unaudited Financial Statements dated June 30, 2017

Lisa Taylor presented the unaudited financial statements for the first quarter of the current fiscal year which ended June 30, 2017 and advised that there were no exceptional items to report in the statements, other than in Note 14 – Expenses by Precinct and Function where she highlighted that salaries, fees and benefits had decreased by a total of \$0.25 million (9.7%) for

the quarter, as a direct result of the staff downsizing activities undertaken by the Corporation in late 2016. **ON MOTION**, duly made by Susie Henderson, seconded by Denzil Minnan-Wong and carried, it was **RESOLVED** that the unaudited financial statements for the quarter ended June 30, 2017 were approved as presented.

7. Corporate Reporting (1st Quarter)

2016/17 Corporate Plan Performance Reports

Ms. Taylor presented the 2016/17 Corporate Plan Performance Reports which are set out in the materials for the meeting. These reports monitor the progress and achievement, on a quarterly basis, of the Corporation's deliverables, budget and revenues against the approved 2017/2018 Corporate Plan.

Quarterly Cash Flow Reporting/Borrowing Update

Ms. Taylor tabled a provided a forecast of quarterly cash flows and an update on the Corporation's borrowing needs. She noted that revisions to the forecast indicate that the borrowing has increased slightly from the most recent forecast due to a delay in the timing of revenues that will be received from the closing of condominium unit sales for the Aqualina project and that a \$3 million letter of credit had been issued to the federal Department of Fisheries and Oceans as security for obligations related to the creation of aquatic habitat for the Cherry Street Lakefilling Project and related a related warranty period.

Procurement Exception Report

Mr. Kusturin provided the Procurement Exception Report which notes variances to procurements processes. He noted that the Lytwyn Resources Inc. human resources consulting services contract has been extended to March 31, 2018, beyond the five year limit of the procurement policy, to provide continuity of services for human resource needs until a new procurement for these services can be completed.

As required by the Corporation's Procurement Policy, Mr. Kusturin also noted that one contract in excess of \$5 million had been awarded in the quarter, being a contract to Clearway Construction Inc. for work on the public realm in Phase II of Bayside. The contract value for this contract was \$12,175,000.

8. Termination of the Meeting

There being no further business, **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the meeting was terminated at 10:15 a.m. local time.

Chair

Secretary of the Meeting