

**MINUTES of the Open Session of the  
Finance Audit and Risk Management Committee Meeting of the  
Toronto Waterfront Revitalization Corporation  
Via Microsoft Teams Teleconference  
Thursday, November 23, 2023 at 9:00 a.m.**

**PRESENT:** Kevin Sullivan (Chair)  
Drew Fagan  
Laurie Payne  
Jeanhy Shim

**REGRETS:** None

**ATTENDANCE: WATERFRONT TORONTO**  
George Zegarac - Chief Executive Officer  
Ian Ness - General Counsel  
Meg Davis - Chief Development Office  
Lisa Taylor - Chief Financial Officer  
Kevin Greene - Chief Operating Officer  
Julius Gombos - SVP, Project Delivery  
Pina Mallozzi - SVP, Design  
Cameron MacKay - VP, Communications & Public Engagement  
Cheryl Roddick - Philanthropic Advisor  
Marciana Boboc - Director, Procurement  
Ed Chalupka - Director, Government Relations  
Sampada Chandane - Director, Financial Management  
Alma Pjetra Director - Director, Program & Cost Management  
Mary Anne Santos - Director, Financial Planning  
Don Forbes - Project Director, Soil Remediation and Earthworks  
Dave VanAuken - Interim Director, Information Technology  
Ella Liu - Senior Analyst, Corporate and ESG Reporting  
Vicky Ma - Senior Analyst, Risk Management and Data Analytics  
Natasha Tolkunow - Senior Project Manager, Project Delivery  
Parmit Chhasiya - Program Reporting Analyst  
Charmaine Miller - Executive Assistant to the CEO & Board Admin

Also, in attendance for part or all of the meeting were:

- Jack Winberg, Director, Waterfront Toronto Board
- Anamika Srivastava, Jasmine Haghighi, Iswariya Tirunagaru , Infrastructure Canada
- Cory MacDonald, Bill Raymond, Ezaz Uddin, Ontario Ministry of Infrastructure
- Jay Paleja, Project Manager, Waterfront Secretariat, City of Toronto
- Louis Castillo, BTY Consulting
- Veronica Bila, Seyed Hejazi, MNP LLP

Ian Ness acted as secretary of the meeting. The Chair welcomed everyone to the meeting of the Finance Audit and Risk Management (FARM) Committee (the “Committee”) of the Toronto Waterfront Revitalization Corporation (“Waterfront Toronto” or the “Corporation”).

With notice of the meeting having been sent to all members of the Committee in accordance with the Corporation’s By-laws and a quorum being present, the Chair called the meeting to order at 9:02 a.m. and declared the meeting was duly constituted for the transaction of business.

## **1. Land Acknowledgement**

Kevin Sullivan acknowledged Indigenous Peoples’ presence and connections to lands under revitalization by Waterfront Toronto.

## **2. Meeting Agenda**

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan, and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

## **3. Declaration of Conflicts of Interest**

There were no conflicts declared.

## **4. Consent Agenda:**

**a) Highlights of the Key Messages were taken as read.**

**b) Draft Minutes of Open Session September 21, 2023 FARM Committee Meeting**

**ON MOTION** duly made by Laurie Payne, seconded by Drew Fagan, and carried, it was **RESOLVED** that the Minutes of the September 21, 2023 FARM Committee meeting be approved as presented.

**c) Q2 2023/24 Macro Dashboard including Corporate & Project Reporting Dashboards:**

The FARM Committee took most of the remaining consent agenda items as read (namely macro and reporting dashboards related to audit, liquidity, capital project, procurement, regulatory compliance, and environmental social governance, together with the September 30, 2023 interim financial statements), and sought highlights and clarifications from management in certain areas.

For the enterprise risk dashboard it was noted that one risk area remains assessed as high residual risk this quarter, namely Project Delivery – Non-Port Lands projects (due to the impact of unprecedented escalation on Quayside infrastructure and public realm and Bayside water’s edge promenade, for which management is mitigating through phasing and/or revenue reallocation approaches).

It was noted that two previous high risks had been assessed downwards this quarter: Financial Self-Sustainability (due to progress being made on the Next Phase Waterfront Revitalization business case with governments), and PLFP Project Delivery (due to securing sufficient additional funding to complete the project); and that one risk was assessed upwards this quarter: Recruitment & Retention of Employees (due to slightly increased turnover this year to be mitigated via increased communications to staff regarding WTs next phase waterfront revitalization vision).

The Corporation's five-year cash flow forecast indicates a strong cash position for at least the next 12 months, with a need to draw down on the line of credit facility starting in early 2025 to support the Quayside municipal infrastructure and public realm, and Bayside water's edge promenade projects (to be repaid with land sale revenues).

## **5. Port Lands Flood Protection (PLFP) Update**

### **a) PLFP Project Update**

A visual progress report for the PLFP project was provided to the Committee which was taken as read.

### **b) Q3 2022/2023 Construction Cost Forecast and Risk Update and Quantification**

The Q3 2022/23 Construction Cost Forecast & Risk Update and Quantification for the PLFP project which indicates a 95% probability of completing the project on budget, was taken as read.

### **c) Report of the Independent Capital Monitor**

BTY Consulting LLP (BTY) presented their **21st report** as Independent Capital Monitor for the PLFP project and noted that:

- The budget remains at \$1.354 million comprising:
  - a) Port Lands Flood Protection: \$1,272.9M, and
  - b) Parks Finishes: \$81.1M
- The remaining contingency of \$33.3 million (2.52% of the total project budget) is a moderate amount to be closely monitored to ensure it will suffice to offset cost risks to the end of the project.
- A revised schedule baseline was issued by EllisDon in September 2023 indicating substantial completion and project completion dates remain as December 31, 2024 and June 30, 2025, respectively.
- No material scope changes have been made to the project this quarter.
- The risk management process implemented by WT is robust and in line with industry best practices.

There was discussion between the FARM Committee and BTY regarding the sufficiency of the remaining contingency. BTY described the remaining contingency of \$33.3 million at this stage of the project as good/ healthy, particularly given the project is almost 100% procured.

## 6. Capital Approvals

The FARM Committee reviewed and recommended for approval by the Board, the following four capital approvals:

### a) Waterfront East LRT 60% Design

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends that the Board of Directors approve:

the capital expenditure of \$34.2 million for the Waterfront East LRT 60% design, subject to execution of an agreement with the City of Toronto to provide the necessary funding.

### b) Bayside Phase 2 including Water's Edge Promenade

**ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors an additional capital expenditure of \$11.6 Million for a total capital expenditure of \$56.3 Million to complete the construction of Bayside Phase II, using Waterfront Toronto secured funding (Waterfront Toronto Land / Other Revenues) for the additional expenditure.

### c) Quayside Infrastructure and Public Realm 100% Design

**ON MOTION** duly made by Laurie Payne, seconded by Jeanhy Shim, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors an additional capital expenditure of \$20.9 million for a total capital expenditure of \$35.1 million to complete the 100% design of the Quayside Infrastructure and Public Realm Project, and proceeding with capital expenditure using Waterfront Toronto secured funding (Quayside land/other revenues) on an interim basis until the Delivery Agreement with the City of Toronto is executed.

### d) Broadview Eastern Flood Protection 100% Design

**ON MOTION** duly made by Drew Fagan, seconded by Jeanhy Shim, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors additional capital expenditures of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issued For Tender level of design and to award the Old

Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto.

## **7. Internal Audit Update**

Veronica Bila, Assurance Partner MNP LLP provided an update on the status of the Corporation's internal audit plan, highlighting that the cybersecurity audit is now complete, and that the Accessibility audit (to ensure compliance with AODA requirements) is now underway with results to be reported on at the next FARM Committee meeting in February 2024.

## **8. Motion to go into Closed Session**

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Laurie Payne, seconded by Jeanhy Shim and carried, the Committee **RESOLVED** to go into Closed Session to discuss items 9, 10, 11 and 12 of the agenda. The exception relied upon for the discussion for item 9 is provided in the minutes of the Open Session September 21, 2023 FARM Committee meeting under item 4(b) of this agenda, for item 10 is Section 6.1.1(k), for item 11 is Section 6.1.1(k) & for item 12 is Section 6.1.1(a) of By-Law No. 2. The Committee will continue in Open Session at the end of the Closed Session to vote on any resolutions pertaining to the Closed Session. The meeting continued in closed session.

## **9. Consent Agenda**

**Draft Minutes of the Closed Session – September 21, 2023 FARM Committee Meeting**

## **10. Annual Business Plan 2024/25**

## **11. Fundraising Strategy Update**

## **12. Cyber Security Internal Audit Report**

## **13. Business Case and Tri-Government Engagement – Next Phase of Waterfront Revitalization**

## **14. Motion to go into Open Session**

**ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne and carried, the committee **RESOLVED** to go into Open Session.

The meeting continued in Open Session.

## 15. Resolution(s) Arising from the Closed Session

### Item 9 Draft Minutes of the Closed Session – September 21, 2023 FARM Committee Meeting

**ON MOTION** duly made by Laurie Payne and seconded by Jeanhy Shim and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on September 21, 2023 be approved as tabled.

### Item 10 Annual Business Plan 2024/25

**WHEREAS** the Rolling Five-Year Strategic Plan (2023/24-2027/28) was approved by the Board in December 2022 and remains valid; and the TWRC Act requires the Board to approve an Annual Business Plan for the fiscal year beginning April 1, 2024 on or before December 31, 2023 and such Board approval is to be upon the recommendation of the FARM Committee; and

**WHEREAS** the Annual Business Plan for fiscal year 2024/2025 outlines capital spending of \$489.3 million (inclusive of corporate operating costs of \$20.7 million before amortization and \$21.6 million after amortization), estimated funding of approximately \$379.7 million (excluding unspent funding from prior years), and use of up to \$6 million of the capital reserve towards funding the Corporation's 2024/25 corporate operating costs; and

**WHEREAS** the expenditures contemplated in the Annual Business Plan are subject to the Corporation's Delegations of Authority and Capital Approvals process;

**ON MOTION** duly made by Laurie Payne and seconded by Drew Fagan and carried, it was **RESOLVED** that the FARM Committee recommends that the Board approve the Annual Business Plan, substantially as presented.

## 16. Termination of the Meeting

There being no further business, **ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne and carried, it was **RESOLVED** that the meeting be terminated at 11:10 a.m. local time.

## 17. Directors Only Discussion

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Committee Chair

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Secretary