

MINUTES of the public portion of the Finance and Risk Management Committee Meeting of Waterfront Toronto held at the Offices of Waterfront Toronto, 20 Bay Street, Suite 1310, Toronto, Ontario on Monday, June 25, 2007, at 8:00 a.m., local time.

PRESENT:           John Ronson  
                      Vivien Dzau  
                      Kevin Garland  
                      Janet Graham  
                      Peter Smith

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Robert Siddall, Chief Financial Officer; Marisa Piattelli, V.P. Government Relations and Special Projects; and Sandra Tran, Director of Finance.

The Chair, John Ronson, took the chair, and with the consent of the Committee Members, appointed Ann Marie Landry, the Corporate Secretary to act as secretary of the meeting.

The Chair declared that a quorum of 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.

## **1. Approval of Minutes**

The minutes of the public portion of the meeting of the Finance and Risk Management Committee held on May 17, 2007 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the meeting of the Finance and Risk Management Committee held on May 17, 2007 be approved.

## **2. Business Arising from May 17, 2007 Meeting**

Robert Siddall tabled reports and information on various matters, which included the following subjects and information and on which the following comments were made:

- *Operational Governance* - A letter was sent to the three levels of Government requesting permission to create subsidiaries for the purpose of holding real estate. A separate request was submitted to allow the Corporation to collect revenues. Marisa Piattelli and John Campbell have spoken with Treasury Board and the request to collect revenues is being tabled with Ministers and approval should not be a problem. The Corporation is awaiting a response to the request to create subsidiaries for the purpose of holding real estate and is expecting said response by the end of the Summer.
- *Strategic Risks around the Corporation's Public Image* - As part of the

“Enterprise Risk Assessment/Risk Analysis” work done by PriceWaterhouseCoopers, one of the strategic risks identified was the Corporation’s public image. Management is updating this report and a brief update was provided on the work done to date. The report will be tabled at the August 27<sup>th</sup> meeting.

- *Design Review Panel Protocol* - The procedures and protocols around the Design Review Panel are being developed by Chris Glaisek and will be tabled once they have been reviewed by the Design Review Panel.

### **3. Long Term Plan**

Robert Siddall tabled a risk analysis of the Corporation’s ability to spend the total funds allocated to 2007/2008 in the Long Term Plan and provided Committee Members with a brief explanation of said document. The following comments were made by Committee Members and Management:

- The Long Term Plan, agreed upon by the three levels of Government, provides \$169 million of funding in 2007/2008;
- The Province and the City of Toronto have an annual “cap” on what they are able to contribute to waterfront revitalization which affects the Corporation’s funding plan;
- The Secretariats are put in an unfavourable position when the Corporation does not spend the allocated funds but in some cases, the constraints placed upon the Corporation by the Secretariats result in the Corporation not being able to move forward with projects and therefore the allocated funds are not spent;
- The Contribution Agreements (“CA’s”) are issued in small amounts and the Corporation is not able to reallocate funds which could help alleviate some of the issues regarding under-spending. Management is speaking with the Governments regarding larger CA’s and the ability to reallocate funds;
- The Corporation is working with the three levels of Government in an attempt to help them better understand the evaluation of eligible costs;
- At the Government’s request, the existing commitment of \$180 million for the Front Street Extension will remain in the Long Term Plan to allow for a proper debate and resolution of the future of the Front Street Extension and the Gardiner Expressway. The Corporation is hopeful that this issue will be resolved within the next year.

- The impact on the Long Term Plan of leaving the \$180 million commitment is significant, particularly with respect to the Corporation's request for the build out of the Phase 1 design of Lake Ontario Park (\$69.3 million reduction), the Central Waterfront Public Realm (\$42.5 million reduction), Commissioner's Park (\$29.7 million reduction) and the request for strategic land acquisitions (\$62.7 million reduction).
- The Governments have been supportive of the Central Waterfront Public Realm project and have given the Corporation approval to advance the design of the full build out of the project in 2007/08 and 2008/09. Most of the \$31 million budgeted for this project prior to 2011/12 will be spent completing the design and limited funds will be available for construction. There is concern that without additional funds committed by 2008/09 the actual construction that could be realized prior to 2011/12 will be limited to the Spadina Street Slip.
- The Lake Ontario Park project is affected to a much greater degree. The \$14.5 million currently available in the Plan prior to 2011/12 is not sufficient to complete a Phase I design of the Park and there is no opportunity to complete construction of any section of the Park without additional funds.

Peter Smith left the meeting due to a prior commitment.

- The Corporation will be drafting a letter to the Provincial and Federal Ministers as well as the Mayor outlining the key strategic projects that are jeopardized by this Long Term Plan and requesting approval to reallocate funds this year (2007/08). The following requests will be made:
  - re-allocating \$2 million from Port Lands Preparation to the Lake Ontario Park project;
  - re-allocating \$500 thousand to the MT27 project to allow for the public realm design;
  - allocate \$1 million to the Marketing Centre;
  - put \$500 thousand back into the Transitional Sports Field budget;
  - funds have been allocated for the design of the Regional Sports Complex but funds are required for the entire "north of Unwin" corridor for soils and servicing;
  - the City of Toronto and the Province have requested that dedicated Staff (Ministry of the Environment - 2 and the City's Parks and Works Department - 1) be assigned to the revitalization of the Waterfront and that the Corporation fund this request which will cost approximately \$600 thousand per year.
- There was concern regarding the Corporation's accomplishments by the year

2011 and what the Corporation will have to show for 10 years of work and millions of public dollars spent. It was agreed that Management will develop a “snapshot” of the expected completed projects in the year 2011 and will table this at the next meeting.

- It was agreed that the largest risk facing the Corporation is the failure to deliver completed projects. The Governments have allowed the Corporation to proceed with design even though funds for construction have not yet been committed. The letter to the Ministers and the Mayor should address this issue and request an early resolution of this in the 2008/2009 Long Term Plan.

#### **4. Conclusion of the Public Portion of the Meeting**

There being no further business to be considered during the public portion of the meeting, the Chairman declared that the public portion of the meeting was concluded. The Chairman, with the consent of the Committee members, then briefly adjourned the meeting, with the meeting to be momentarily reconvened as the in-camera portion of the meeting.

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Chair

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Secretary of the Meeting