

REPORT FOR ACTION



Transfer of Reserve Funds to Toronto Live Foundation

Date: May 27, 2019

To: Audit Committee and the Board of Directors of TO Live

From: President & CEO

SUMMARY

This report is to request funds to be transferred from TO Live's reserve funds (Toronto Centre for the Arts Stabilization Reserve Fund and Sony Centre Stabilization Reserve) to the newly incorporated "Toronto Live Foundation" as seed funding.

RECOMMENDATIONS

The President & CEO recommends that the Board of Directors of TO Live:

1. Approve the transfer \$1.657 million from the Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) to the new Toronto Live Foundation.
2. Approve the transfer \$0.666 million from the Sony Centre Stabilization Reserve (XQ2031) to the new Toronto Live Foundation.
3. Approve an in-year budget adjustment to increase the 2019 Council Approved Operating Budget for TO Live by \$2.323 million gross and \$0 net, fully funded from the Toronto Centre for the Arts Stabilization Reserve Fund (\$1.657 million) and the Sony Centre Stabilization Reserve (\$0.666 million) to reflect the transfer of funds to the Toronto Live Foundation.
4. Request City Council to approve the transfer of \$1.657 million from the Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) and \$0.666 million from the Sony Centre Stabilization Reserve (XQ2031) to the new Toronto Live Foundation.
5. Request City Council to approve an in-year budget adjustment to increase the 2019 Council Approved Operating Budget for TO Live by \$2.323 million gross and \$0 net,

fully funded from the Toronto Centre for the Arts Stabilization Reserve Fund (\$1.657 million) and the Sony Centre Stabilization Reserve (\$0.666 million) to reflect the transfer of funds to the Toronto Live Foundation.

FINANCIAL IMPACT

The transfer of reserve funds to the new Toronto Live Foundation (see Attachments 1 to 4) will provide initial support for the Foundation to begin its work. The Toronto Live Foundation is expected to provide TO Live with a stable funding source for research and development of programming initiatives (TO Live Presents), capital costs and state of good repair (SOGR) requirements.

To enable this one-time grant to the Toronto Live Foundation, an in-year budget adjustment to increase TO Live's 2019 Council Approved Operating Budget by \$2.323 million gross and \$0 net, fully funded from the Toronto Centre for the Arts Stabilization Reserve Fund and the Sony Centre Stabilization Reserve in the amount of \$1.657 million and \$0.666 million, respectively, is required.

DECISION HISTORY

At its meeting of July 23, 2018, City Council approved an in-year budget adjustment to the 2018 Council Approved Operating Budget for TO Live to reflect the transfer of an unanticipated LIVENT settlement funds of \$1.657 million for the Toronto Centre for the Arts as well as the receipt of one-time revenues of \$0.666 million from the liquidation of the condominium unit donated to the Sony Centre for the Performing Arts to the Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) and the Sony Centre Stabilization Reserve (XQ2031), respectively, through the consideration of the City staff report entitled "*Operating Variance Report for the Five Months Ended May 31, 2018*", <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.17>

COMMENTS

Toronto Centre for the Arts (formerly North York Performing Arts Centre) was part of a class action suit against LIVENT and after a 20-year legal process, the assets have finally been settled. While funds were expected to be minimal, the final amount granted as part of TCA's share is a total \$1.657 million.

In 2007, the Board was the recipient of the right, title and interest in the Purchase Agreement and Deposit of a condominium unit as a charitable donation. The intention of the Board was to resell the condominium unit at a time that maximized value. In March 2018, the donor honored his commitment and provided a cheque for \$0.666 million available to be transferred to a reserve fund.

Since these funds fall outside of normal operations, TO Live received Council approval in 2018 to put them into reserve funds (see decision link above) for the purpose of establishing/seeding a Foundation.

The incorporation of the Toronto Live Foundation was completed in November 2018. In addition, the application for registration as a charitable entity was filed with the Canada Revenue Agency and formal approval was received in early April 2019. The Foundation has a President and two incorporating Directors to advance its formation (see Attachment

The members in the Foundation include a President and two incorporating Directors to advance its formation and provide an oversight and governance role.

This Foundation would assist with TO Live's success by ensuring a stable funding source for research and development of programming initiatives (TO Live Presents), capital costs and state of good repair (SOGR) requirements.

In addition, through fundraising efforts of this Foundation, TO Live will be able to engage artistic programming not yet in its reach that require more funds than the box office sales can provide, while also keeping ticket prices low and allowing for new and groundbreaking artistic choices for the City of Toronto.

The Foundation will allow TO Live to:

1. Carry forward development and surplus funds in order to support future programming and long lead capital of SOGR projects;
2. Raise funds to support the ongoing operations and capital needs for TO Live, including but limited to the three City-owned civic theatres including the Sony Centre for the Performing Arts, Toronto Centre for the Arts, and St. Lawrence Centre for the Arts; and
3. Budget according to what is being booked two or three years in advance of any City approval cycle and instead follow an approval process set up by the TO Live Board.

This will provide flexibility to both TO Live and its programming department, depending on the projects being considered.

CONTACT

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SIGNATURE

Clyde Wagner
President & CEO

ATTACHMENTS

Attachment 1 - Toronto Live Foundation ByLaw No 2018-1
Attachment 2 - Toronto Live Foundation Letters Patent
Attachment 3 - Toronto Live Foundation Business Number
Attachment 4 - Notification of Registration for Foundation