CT10.5a

REPORT FOR ACTION

2020 State of Good Repair and Facility Fee Reserve Fund - Supplementary Report

Date: May 11, 2020
To: The Board of Directors of TO Live
From: President and Chief Executive Officer

SUMMARY

The purpose of this report is to update the Board on the status of Facility Fee Reserve Fund (FFRF) and State of Good Repair (SOGR) projects. Due to a reduction of SOGR funding, this report seeks Board spending approval for a reduced list of 2020 SOGR projects previously recommended by the TO Live Audit Committee.

RECOMMENDATIONS

The President and Chief Executive Officer recommends that the Board of Directors of TO Live:

1. Approve the updated 2020 SOGR capital projects listed in Attachment 1 and all related purchase orders and/or tender awards over $100,000 up to each individual project budget or adjusted budget (if necessary), not to exceed the available 2020 SOGR funding of $8.5M as outlined in more detail in Attachment 1.

2. Receive the updated FFRF project list as detailed in Attachment 2.

FINANCIAL IMPACT

The reduction of City of Toronto funding for SOGR projects will result in the need to defer approximately $13.8M in capital projects.

The reduction of FFRF spending and associated revenue will result in the need to defer $1.8 spending on major purchases and other projects.

DECISION HISTORY

At its February 19, 2020 meeting, City Council approved TO Live's Capital budget (Item 130-132 in link below).
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX13.2

At its February 11, 2020 meeting, TO Live's Audit Committee recommended that the Board approve funding for all proposed SOGR and FFRF projects.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RZ5.4

COMMENTS

City Council approved TO Live's capital budget at its February 19, 2020 meeting. The total funding for capital projects was $22.3M, including 2019 carry forwards.

Following a review of TO Live's capital projects, the Audit Committee recommended that the Board approve the spending authority for all proposed SOGR and FFRF projects at the next meeting scheduled on March 26, 2020. Due to COVID-19, the meeting was cancelled.

Since then, the City has been facing financial challenges from COVID-19 and has asked TO Live to review capital projects and come back with recommendations on which projects could be deferred until 2021 or later. TO Live recommended a total of $13.8M in deferred spending, bringing the 2020 project spending envelope to $8.5M including carry forward funding. Projects moving forward include projects where commitments to contractors have been made, projects required for legislative reasons, the St. Lawrence Centre Redevelopment Planning project and projects where the design phase could occur (without actual construction). Updated 2020 capital projects requiring approval total $4.7M. Previously approved 2019 capital projects total $3.8M.

FFRF projects moving forward are projects which were approved and initiated in 2019 (details noted in Attachment 2). Except for a limited amount of previous spending, no new FFRF projects will be proceeding at this time due to limited contributions to the FFRF fund from ticket sales.

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SIGNATURE

Clyde Wagner
President and CEO

ATTACHMENTS

Attachment 1 - Updated 2020 Capital Projects
Attachment 2 - Updated 2020 FFRF Projects