REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

2020 State of Good Repair and Facility Fee Reserve Fund

Date: January 31, 2020
To: Audit Committee and The Board of Directors of TO Live
From: President and Chief Executive Officer

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Board of Directors of TO Live, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The purpose of this report is to seek Board spending approval for 2020 State of Good Repair (SOGR) and Facility Fee Reserve Fund (FFRF) projects.

RECOMMENDATIONS

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

1. Approve the 2020 SOGR capital projects listed in Confidential 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, pending approval of the 2020 TO Live capital budget at the February 19, 2020 City of Toronto Council meeting.

2. Approve the FFRF projects and purchases listed as FFRF funded projects and all related purchase orders and/or tender awards over $100,000 up to each individual budget or adjusted budget (if necessary), not to exceed the available FFRF funding, as outlined in Confidential Attachment 2 pending approval of the 2020 TO Live Operating budget at the February 19, 2020 City of Toronto Council meeting.

3. Direct that Confidential Attachment 1 and 2 remain confidential in its entirety because if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

There is no financial impact other than those listed in the report.

DECISION HISTORY

At the January 28, 2020 the City of Toronto Budget Committee meeting, TO Live's Capital budget was considered.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.BU15.2

At the May 9, 2019 meeting of the Board of Directors of TO Live, the Board approved the document, "Protocol for the Management of TO Live Capital Projects."

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CT3.5

COMMENTS

Until 2018, capital budgets and capital projects of TO Live were maintained separately by individual theatre sites. The Economic Development and Culture Division had previously managed the capital budgets and projects of the St. Lawrence Centre and Meridian Arts Centre on behalf of those theatres, while TO Live independently managed Meridian Hall's capital budgets and capital projects.

Beginning in 2019, the TO Live capital budget for all theatre sites was consolidated under the management of the Board.

In 2018-2019, the City of Toronto undertook a review of the capital budget and capital project management responsibilities to clarify the roles and responsibilities of TO Live to manage its capital budget and capital projects for all three theatres, levels of authority for the Board and CEO of TO Live, and the services to be provided by City Divisions.

This review was completed in May of 2019. The review resulted in the creation of a "Protocol for the Management of TO Live Capital Projects" document which was approved by the Board later the same month. Due to the time involved in the review, numerous 2019 capital projects were delayed and TO Live's 2019 spend rate was negatively impacted. Management is confident with the new protocol in place, spend rates will show improvement in 2020.

In the spring of 2019, the City of Toronto asked TO Live to draft a 10-year capital plan which would consider the newly completed Meriden Arts Centre building condition assessment and accessibility audits of all venues. In late 2019, the City of Toronto prioritized TO Live's 10-year capital plan which would move a limited number of TO Live projects "above the line" for approval in the 2020 City of Toronto budget process. Further discussion with TO Live resulted in additional priority projects being moved "above the line." The remaining capital projects are unfunded and remain, "below the line" and make up TO Live's current SOGR backlog.

A new building condition audit will occur in 2019 at Meridian Hall. This audit will require an update to TO Live's 10-year capital plan.

While the redevelopment of the St. Lawrence Centre is considered, projects at this venue are only being untaken if they fall into one of three conditions:

- Projects which are required for health and safety reasons,
- Projects which, if not performed, could cause business interruption within the next two - three years,
- Projects which involve the installation of needed equipment which can easily be re-purposed at other TO Live venues should a redevelopment occur.

Consistent with City capital budget policies, capital improvement and SOGR projects costing less than $50K are included in TO Live's operating budgets.TO Live's FFRF and improvement reserves which receive ticket surcharge contributions are understood to fund most of these needs.

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SIGNATURE

Clyde Wagner
President and Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - TO Live's 10-Year Capital Plan
Confidential Attachment 2 - FFRF Summary