



Building Investment, Finance and Audit Committee

931 Yonge Street
Toronto M4W2H2

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The Building Investment, Finance and Audit Committee (“BIFAC”) of the Toronto Community Housing Corporation (“TCHC”) held a virtual Public meeting on January 27, 2023, via WebEx, commencing at 12:10 p.m.

Directors in Attendance: Adele Imrie (Chair)
John Campbell
Nick Macrae
Brian Smith

Directors Absent: Councillor Vincent Crisanti
Mohammed Haque
Naram Mansour

Management Present: Jag Sharma, President and Chief Executive Officer (“CEO”)
Nadia Gouveia, Acting Chief Operating Officer (“COO”)
Darragh Meagher, General Counsel & Corporate Secretary
Jessica Hawes, Acting Chief Development Officer (“CDO”)
Luisa Andrews, Vice President, Information Technology Services
Allen Murray, Vice President, Facilities Management
Ceilidh Wilson, Assistant Corporate Secretary

A quorum being present, Ms. Imrie, serving as Chair, called the meeting to order, and Ms. Wilson served as recording secretary.

ITEM 1 CHAIR'S REMARKS

The Chair welcomed everyone to the BIFAC meeting, noted the Acknowledgement of the Land, and provided an overview of the reports on today's public agenda. The Chair also announced that with today's meeting, we will begin to offer members of the public wanting to depute three options to do so: via written deputation, via teleconference, or via Webex.

DEPUTATIONS

The Chair polled for any deputations to be heard at the meeting. The following verbal deputations were presented:

- Item 5 – Business Arising from the Public Meeting Minutes and Action Items Update (*Rev. Dr. Richard S. Mitchell*)

The following written deputations were received:

- Item 5 – Business Arising from the Public Meeting Minutes and Action Items Update (*Rev. Dr. Richard S. Mitchell*)

ITEM 2 APPROVAL OF PUBLIC MEETING AGENDA

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC unanimously approved:

1. the Agenda for its Public meeting of January 27, 2023; and
2. all matters on the Agenda with the exception of items:
 - Item 5 – Business Arising from the Public Meeting Minutes and Action Items Update;
 - Item 7 – Regent Park 175 Oak Street (16N) City of Toronto Contribution Agreement;
 - Item 8A – Q3 2022 Facilities Management Quarterly Capital Budget Update; and

- Item 8B – Q3 2022 Reconciliation of Preventative Maintenance/Demand Repair Programs and Elevator Contracts.

ITEM 3 CHAIR’S POLL RE: CONFLICT OF INTEREST

The Chair requested members of the BIFAC to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. **No conflicts were declared.**

ITEM 4 CONFIRMATION OF BIFAC PUBLIC MEETING MINUTES OF SEPTEMBER 8, 2022

Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC confirmed the above-captioned minutes without amendments.

ITEM 5 BUSINESS ARISING FROM THE PUBLIC MEETING MINUTES AND ACTION ITEMS UPDATE

A written deputation was received from Rev. Dr. Richard S. Mitchell with respect to this item and was circulated to the BIFAC.

A verbal deputation was received from Rev. Dr. Richard S. Mitchell with respect to this item.

Mr. Meagher was available to answer questions of the BIFAC. Highlights of the discussion include:

- The Committee noted that there are several outstanding action items on the list related to procurement from almost a year ago, and asked for an update on their status.
- It was noted that with the resignation of the former Chief Financial Officer, there has been added pressure and workload for senior leadership in Finance, which has limited their ability to report back on matters listed on the action item list in a timely manner.

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Motion carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC received the updates provided as Business Arising from the Public Meeting Minutes and Action Items Update.

ITEM 6 2023 PUBLIC BIFAC WORK PLAN BIFAC:2023-11

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC unanimously approved, and recommended that the Board of Directors approve, the 2023 Public Work Plan as provided as Attachment 1 to Report BIFAC:2023-11.

**ITEM 7 REGENT PARK 175 OAK STREET (16N)
CITY OF TORONTO CONTRIBUTION
AGREEMENT BIFAC:2023-12**

The above-captioned report was circulated to BIFAC members prior to the meeting.

Ms. Hawes was available to answer questions of the BIFAC. Highlights of the discussion include:

- The fee exemption waiver referenced in the report is a tool used by the City of Toronto (the “City”) to enable TCHC to not have to pay certain fees associated with a typical development.
- The fee exemption waiver typically applies for replacement units, but additional approval for exemptions is required when units are built other than replacement units (e.g. new affordable units).
- The reference to the Toronto District School Board (“TDSB”) is a pro forma statement in the report.

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Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC unanimously approved and recommended that the Board of Directors:

1. authorize staff to finalize the terms of a Contribution Agreement with the City of Toronto requiring TCHC to maintain 55 social housing units, 24 of which are affordable rental units, located at 175 Oak Street in Regent Park (16N) for a period of 99 years, in exchange for City incentives valued at \$3,059,879 including relief from development charges, building permit fees, Toronto District School levies, and property tax relief; and
2. authorize the Acting Chief Development Officer or the Chief Financial Officer (or designate) to take the necessary actions, including execution of the Contribution Agreement and Promissory Note in favour of the City as may be required by the terms of the Contribution Agreement and to give effect to the above recommendation.

Q3 2022 FACILITIES MANAGEMENT
ITEM 8A QUARTERLY CAPITAL BUDGET UPDATE BIFAC:2023-13

The above-captioned report was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC. Highlights of the discussion include:

- Concern was raised that this report is seeking approval of budget allocations after the spending has already taken place.
- The year-end forecast for the COXX – Demand Capital budget in the Q2 2022 report was approximately \$58M, however in this report, the year-end forecast for the same budget category is approximately \$90M.
- It was noted that planned projects are reviewed weekly by the Facilities Management (“FM”) division, however weekly reporting for demand work is currently unavailable; this is being worked on as part of HoMES. Current reporting on the demand budget is driven by when

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Finance is able to provide the numbers, which sometimes does not align with BIFAC/Board reporting timelines.

- FM does not currently have real-time insight into demand budget commitments and spending. The Committee flagged that this is an area of concern.
- Action item: Management to work with Finance and report back regarding how to improve reporting on and monitoring of the demand budget envelope.
- The \$7.5M Single Dwelling Units budget envelope adjustment is a consequence of being instructed by the City that TCHC would have to pay \$7.5M with the transfer of scattered houses, but the City opted for a different approach. Thus it is recommended that the allocated funds be released.

*Motion
Carried*

ON MOTION DULY MADE by Mr. Macrae, seconded by Mr. Campbell and carried, the BIFAC unanimously approved the reallocation of funds within the capital repair budget and forwarded to the Board of Directors for approval the reallocations as follows:

1. \$26,500,000.00 to the COXX - Demand Capital budget envelope by redirecting funds previously allocated to the following budget envelopes in the following amounts:
 - a. \$10,000,000.00 from the HBRP – Holistic Building Retrofit Program budget envelope; and
 - b. \$9,000,000.00 from the RC07 – Envelope budget envelope; and
 - c. \$7,500,000.00 from the RC22 – Single Dwelling Units budget envelope; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**Q3 2022 RECONCILIATION OF
PREVENTATIVE MAINTENANCE/DEMAND
REPAIR PROGRAMS AND ELEVATOR**

ITEM 8B

CONTRACTS

BIFAC:2023-14

The above-captioned report was circulated to BIFAC members prior to the meeting.

Mr. Murray was available to answer questions of the BIFAC. Highlights of the discussion include:

- The Committee asked for clarification as to how the numbers presented in BIFAC:2023-13 and BIFAC:2023-14 relate. It was noted that BIFAC:2023-13 is solely focused on the capital budget, a portion of which is comprised by demand work, whereas BIFAC:2023-14 reviews program spends against approved budget amounts for preventative maintenance, demand repair programs and elevator contracts.
- Funding for the work reported on in BIFAC:2023-14 comes from both the capital and operating budgets. If a demand maintenance request is submitted for less than \$1500, it is funded through the operating budget; if it is above \$1500, it is funded through the capital budget.
- Small-scale preventative maintenance and demand repair work can be procured outside of the regular rosters for the preventative maintenance and demand repair programs, per TCHC's Procurement Policy. One or three quotes would be required depending on the dollar value of the work.
- The demand general repairs program and the move-out program are not Facilities Management ("FM") programs and are therefore not included in this report.
- Concern was raised that it is difficult for the BIFAC to have oversight of spending on a global basis. Management committed to working on simplifying reporting moving forward to better explain how all pieces of the budget fit together.
- The Committee noted the importance of tracking project/program spends to be more effective at getting through contract terms, and bringing forward change orders in a proactive manner when required.

Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Smith and carried, the BIFAC received Report BIFAC:2023-14, being the Reconciliation of Preventative Maintenance/Demand Repair Programs and Elevator Contracts for the third quarter of 2022, for its information.

**CONTRACTOR AWARD: COMPREHENSIVE
RETROFIT – ENVELOPE, MECHANICAL
AND ELECTRICAL AT 330 GERRARD
STREET EAST (RFQ 22261-PP/VAC 22619) BIFAC:2023-15**

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, as set out in Report BIFAC:2023-06, the BIFAC unanimously approved and recommended that the Board of Directors:

1. approve the award of work to Brook Restoration Ltd. for \$9,449,693.00 (exclusive of taxes) for comprehensive retrofit, envelope, mechanical and electrical at Donvale Manor; and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

**CONTRACTOR AWARD: OVER CLADDING,
WINDOW AND ROOF REPLACEMENT,
LANDSCAPE AND MECHANICAL
UPGRADES AT 2195 JANE STREET (RFP
22114-PP/VAC 22562) BIFAC:2023-16**

The above-captioned report was circulated to BIFAC members prior to the meeting.

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Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC unanimously approved and recommended that the Board of Directors:

1. approve the award of work to Trinity Services Ltd. for \$12,988,312.00 (exclusive of taxes) for over cladding, window and roof replacement, landscape and mechanical upgrades at 2195 Jane Street (Downsview Acres, Dev. 116) based on the outcome of RFP 22114-PP: and
2. authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

INTERNAL AUDIT: ANNUAL AUDIT WORK PLAN 2023 BIFAC:2023-17

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae, the BIFAC unanimously approved the Internal Audit Annual Audit Work Plan for 2023, as set out in Attachment 1 to Report BIFAC:2023-17.

INTERNAL AUDIT WORK PLAN UPDATE: Q4 2022 BIFAC:2022-18

The above-captioned report was circulated to BIFAC members prior to the meeting.

Motion Carried **ON MOTION DULY MADE** by Mr. Campbell, seconded by Mr. Macrae and carried, the BIFAC received Report BIFAC:2023-18, being the Internal Audit Work Plan Update for the fourth quarter of 2022, for its information.

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TERMINATION

A motion to adjourn the meeting was moved by Mr. Campbell and seconded by Mr. Macrae. The Public meeting terminated at 12:49 p.m.

Secretary

Chair, Building Investment, Finance
and Audit Committee