

Standing Committee Report

REPORT NUMBER 321-2025-Corporate Services-Finance

DATE

PREPARED

October 1, 2025

FILE

STANDING

COMMITTEE

October 14, 2025

MEETING DATE

SUBJECT

Thunder Bay Community Auditorium Capital Reserve Fund
Request

PURPOSE – Seeking Endorsement of Standing Committee

WITH RESPECT to Report 321-2025-Corporate Services-Finance, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT \$119,627 be reimbursed to the Thunder Bay Community Auditorium Inc. for eligible capital repair costs, to be funded from the Thunder Bay Community Auditorium Capital Reserve Fund;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The purpose of this Report is to seek endorsement for the request of the Thunder Bay Community Auditorium Inc. (the “Tenant”) to be reimbursed from the Thunder Bay Community Auditorium Capital Reserve Fund, to pay for capital repairs recently completed within the facility and detailed in this report. This reserve fund was established in 2023 to support the long-term sustainability of the TBCA facility.

KEY CONSIDERATIONS

The Thunder Bay Community Auditorium (TBCA) is a City-owned facility that is operated by the Thunder Bay Community Auditorium Inc. (the “Tenant”) under a lease agreement between the City (the “Landlord”) and the Tenant. As per the terms of the lease, the TBCA is responsible to maintain the facility.

In 2022, City Council approved the establishment of the Thunder Bay Community Auditorium Capital Reserve Fund to support the longevity of the facility and financial

sustainability of TBCA operations. An initial contribution of \$100,000 was included in the City's 2023 Operating Budget with further annual contributions of \$150,000 to be included in the Operating Budgets from 2024 to 2027 until the commencement of Capital Reserve Rent payments by the TBCA.

Withdrawals from the Thunder Bay Community Auditorium Capital Reserve Fund are for TBCA facility capital expenditures restricted in accordance with the TBCA lease agreement. In 2025, the TBCA has incurred \$119,627 in capital improvements and has formally requested to draw from the capital reserve fund to offset these costs.

The capital improvements that were completed are essential in nature and driven by health and safety risk mitigation considerations.

Summary of Capital Improvements:

1. Carpet Replacement – Lobby, Mezzanine, Balcony, Dressing Rooms	
• Removal and installation	\$ 67,018
• Specialized cleaning machine	\$ 5,591
2. HVAC Air Handlers	
• Replace original units nearing end of life	\$ 34,989
3. Stage Lift Repairs	
• New brakes and gear replacements	<u>\$ 12,029</u>
Total	\$119,627

The TBCA is currently developing a multi-year renovation plan that is projected to commence in 2026. This plan is intended to preserve the facility, reduce operating costs and enhance the audience's experience. TBCA is planning to return to Council in 2026 to request additional contributions from the Reserve Fund to address the renovation plan and leverage external funding opportunities.

Administration has reviewed the requested expenses and has determined that they meet the criteria for eligible use of the Thunder Bay Community Auditorium Capital Reserve Fund as a funding source.

FINANCIAL IMPLICATION

The Thunder Bay Community Auditorium Capital Reserve Fund was created to support capital improvements in the facility. The estimated uncommitted balance in this reserve fund is currently approximately \$410,000 and is sufficient to cover the requested \$119,627.

BACKGROUND

The Thunder Bay Community Auditorium is a City-owned facility that is operated under a lease agreement between the City and the Tenant.

In Report 221-2022, Council approved the formal changes to the arrangement between TBCA and the City effective January 1, 2023.

This report also provided Council's approval to establish a Thunder Bay Community Auditorium Capital Reserve Fund, to be used for the exclusive purpose of capital improvements, renovations, repairs, and maintenance of the Facility operated by the TBCA.

Based on the direction within this report, Administration included an initial contribution of \$100,000 to the TBCA Capital Reserve Fund in the 2023 Budget funded by the Capital General Reserve Fund. Subsequent annual contributions of \$150,000 in each 2024 and 2025 which were approved through the respective annual budget processes. Additional contributions for 2026 and 2027 will be presented for Council consideration through the regular annual budget deliberations.

The completion of this transition was intended to promote greater financial responsibility for TBCA as their funds were to be fully separated from the City following the transition.

The TBCA continues to be a recipient of annual Sustaining Funding through the Community, Youth & Cultural Funding Program. Budget recommendations for 2026 will be presented to Council in January 2026 and are subject to approval in the 2026 budget. Once approved, a Funding Agreement will be executed with the TBCA to outline the terms of the sustaining grant funding.

REFERENCE MATERIAL ATTACHED

None.

REPORT PREPARED BY

Andrea Morrison CPA, CA, Director Finance, Corporate Services

REPORT SIGNED AND VERIFIED BY

Keri Greaves, CPA, Commissioner – Corporate Services & City Treasurer

10/07/2025 (MM/DD/YEAR)