

City Council Report

REPORT NUMBER 016-2026-Corporate Services-Finance

DATE

PREPARED

December 12, 2025

FILE

**CITY COUNCIL
MEETING DATE**

January 13, 2026

SUBJECT

Thunder Bay Community Auditorium Reserve Fund Request

RECOMMENDATION TO CITY COUCL

WITH RESPECT to Report 016-2026-Corporate Services-Finance, we recommend that up to \$93,000 be allocated to the Thunder Bay Community Auditorium Inc. for eligible engineering consulting costs, with financing from the Thunder Bay Community Auditorium Capital Reserve Fund;

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

EXECUTIVE SUMMARY

This report recommends that the City of Thunder Bay provide funding to the Thunder Bay Community Auditorium Inc. (the "Tenant") so that the Tenant can procure engineering studies to support future capital repairs and funding applications for the auditorium facility. The recommended funding source is the Thunder Bay Community Auditorium Capital Reserve Fund, which was established in 2023 to support the long-term sustainability of the TBCA facility.

DISCUSSION

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 Tenant.

Withdrawals from the Thunder Bay Community Auditorium Capital Reserve Fund are for TBCA facility capital expenditures, restricted in accordance with the TBCA lease agreement.

The Tenant 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 experience. The intention of this report is to allow for use of the Reserve Fund in order to cover the costs of the engineering assessment required to proceed with larger capital project planning with the goal of leveraging external funding opportunities.

Administration has reviewed the request and has determined that it meets the criteria for eligible use of the Thunder Bay Community Auditorium Capital Reserve Fund as a funding source.

CONSULTATION

The Tenant had requested additional funding through the Community, Youth and Cultural Funding Program (CYCFP); however, the request was denied by the review committee. A component of the funding request was intended to secure engineering studies to support long-term capital planning and external funding applications.

On December 9, 2025 the Finance & Administration Standing Committee heard an appeal of the review committee's decision in Closed Session. While the Standing Committee upheld and endorsed the review committee's CYCFP recommendation, it referred the request for funding of the engineering studies back to Administration to be brought forward directly to City Council for consideration.

Following this review, the funding request is now being presented to City Council for consideration and approval.

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 at December 31, 2025 is approximately \$290,400 and is sufficient to cover the requested \$93,000.

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 City 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 to Council for 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 an 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.

In November 2025 Council approved the TBCA request to access \$119,627 from the reserve fund to support capital expenses incurred in 2025.

REFERENCE MATERIAL ATTACHED

None

REPORT PREPARED BY

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REPORT SIGNED AND VERIFIED BY

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

12/18/2025 (MM/DD/YEAR)