

MINUTES of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at 20 Bay Street, Suite 1310, Toronto, Ontario on Tuesday, June 13, 2017 at 8:30 a.m. local time.

PRESENT: Helen Burstyn, Chair
Mohamed Dhanani
Julie Di Lorenzo
Meric Gertler
Susan Henderson (via telephone)
Ross McGregor
Denzil Minnan-Wong
Mazyar Mortazavi
Sevaun Palvetzian
Janet Rieksts-Alderman
Jeanhy Shim

ABSENT: Steve Diamond

The following additional persons were in attendance throughout the meeting, or unless otherwise indicated: Will Fleissig, President and Chief Executive Officer; Marisa Piattelli, Chief Strategy Officer (via telephone); Meg Davis, Chief Development Officer; David Kusturin, Chief Project Officer; Chris Glaisek, Executive Vice President Planning & Design; Ian Beverley, General Counsel; Lisa Taylor, Chief Financial Officer; Andrew Hilton, Director Communications and Public Engagement; Kristina Verner, Vice President, Innovation, Sustainability & Prosperity; and Rose Desrochers, Director, Human Resources and Administration.

Also in attendance was George Zegarac, Deputy Minister – Ontario Ministry of Infrastructure and Siri Agrell of the City of Toronto.

The Chair, Helen Burstyn, took the chair and appointed Ann Landry to act as secretary of the meeting.

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Chair declared the meeting duly constituted for the transaction of business.

1. Motion to Approve Agenda

ON MOTION duly made by Sevaun Palvetzian, seconded by Meric Gertler and carried, it was **RESOLVED** that the Agenda for the June 13, 2017 Board meeting, as tabled, was approved.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Chair's Remarks

The Chair welcomed Jeanhy Shim, a new Federal Appointee, to the Board and invited Ms. Shim tell the Board a bit about herself. The Chair then advised that subject to confirmation by the Board, Susie Henderson has agreed to Chair the Finance, Audit and Risk Management ("FARM") Committee now that David Johnson is no longer a member of the Board. She noted that the Board Committees are very active and are taking on more responsibility given the anticipated scale of infrastructure programs for 2017 and beyond.

4. Committee Chair Report

Janet Rieksts-Alderman, Chair of the Governance Committee, advised that a joint Governance and Public & Government Engagement Committee meeting took place on May 29, 2017 where, among other items, the Board Committee structures and Mandates were reviewed and discussed.

Board Committee Structures

Ms. Rieksts-Alderman advised that as per the Chair's remarks she would be moving a motion to appoint Susie Henderson to serve as the Chair of the FARM Committee. As Chair of the FARM Committee, Ms. Henderson will automatically serve as a Member of the Chairs Committee. She further advised that discussions will soon be held with Ms. Shim to identify Committee assignments.

She advised that as per the May 29, 2017 meeting, any decisions regarding Committee structures would be deferred until funding for the Port Lands Flood Protection Project is realized and the framework for the Quayside Project is more clearly defined. She advised that the volume and complexity of impending work will factor into the Board Committee structures going forward and oversight responsibilities of each Committee may have to be reviewed to ensure the workload is appropriately distributed.

The CEO advised that Management is exploring ways in which to streamline processes to work more strategically with the Board to ensure the best use of the Board's time and expertise.

Ms. Rieksts-Alderman then introduced a motion to appoint Susie Henderson as Chair of the FARM Committee and discussion on the matter was not required.

ON MOTION duly made by Janet Rieksts-Alderman, seconded by Helen Burstyn and carried, it was **RESOLVED** that Susie Henderson is appointed Chair of the Finance, Audit and Risk Management Committee and, by virtue of such appointment, will automatically serve as a Member of the Chairs Committee.

Board Committee Mandates

Ms. Rieksts-Alderman tabled the revised Committee Mandates and advised that the Governance Committee recommends the Mandates be revised by combining the existing separate provisions in each Mandate (which provide that both the Chair and any member of the Board may attend committee meetings in an ex-officio capacity) into one provision. She advised that the Committee also recommends the approval of the Chairs Committee Mandate, reminding the Board that the Chairs Committee was established at the February 10, 2017 Board Meeting with the Chair of the Board serving as Chair of the Committee and its other Members being the Chair of each of the other Committees of the Board. She advised that the Chairs Committee will have two distinct functions:

- 1) to convene an organizational conference call in advance of each Board meeting to identify matters that have been reviewed and recommended by each Committee for presentation to the Board and, based on that identification, to structure the agenda for the upcoming Board meeting; and
- 2) to assist the Corporation with its oversight responsibilities in respect to human resources management. This function was formerly performed by the Human Resources Committee of the Board.

Further discussion was not required and **ON MOTION** duly made, seconded and carried, be it **RESOLVED** that the Mandates for the Governance Committee, the Finance, Audit and Risk Management Committee, the Public and Government Engagement Committee, the Partnership Committee, the Investment and Real Estate Committee and the Chairs Committee be approved and adopted as tabled.

5. Consent Agenda

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Consent Agenda comprising the minutes of the April 20, 2017 meeting of the Board of Directors were approved.

The CEO advised that there were no new environmental issues to report.

6. CEO Report

Will Fleissig referred to his report which updated the Board on the following matters and which is posted publicly on the Corporation's website:

West Don Lands ("WDL")

- West Don Lands Development
- Surplus Land Circulation
- Re kai Centre

East Bayfront

- Bayside
- Waterfront Innovation Centre (Blocks 1 &2)
- George Brown College (“GBC”) Block 3
- Quayside
- Public Art

Port Lands

- Port Lands Flood Protection and Enabling Infrastructure
- Cherry Street Stormwater and Lakefilling Project
- Regulatory Approvals and Technology Testing
- Port Lands Planning Framework/Villiers Island Precinct Plan/Transportation and Servicing Master Plan EA
- Public Art

Other

- Health and Safety
- The Bentway
- Jack Layton Ferry Terminal Phase IA
- Jack Layton Ferry Terminal Master Plan
- Gardiner East EA
- Lower Yonge Precinct
- Ontario Place Park
- Waterfront Toronto Design Review Panel Update
- Public Town Hall – June 6, 2017
- Spring Walking Tours
- Places to Grow (2017)
- Pending Changes to Open Meeting Law

Mr. Fleissig advised that on June 6, 2017 more than 240 people joined Waterfront Toronto at a public Town Hall where he updated the community on the Corporation’s evolving mandate, new strategies and the major projects that will define the future of the waterfront. He advised that he and the senior Management Team discussed how the second era of waterfront revitalization will leverage development opportunities like Quayside and the Port Lands to address the challenges of climate change, inclusivity, mobility, affordable housing and economic growth as well as showcase innovative Canadian technology, design excellence and sustainability practices for other cities to follow.

He noted that a key observation from the Town Hall was that Waterfront Toronto must be clear about what the Corporation is and will be delivering. He further noted that it was also clear that the public wants Waterfront Toronto to continue with the standard of design excellence it has become known for.

The CEO was asked how often the Corporation will host a Town Hall. He advised that Management will be looking at Waterfront Toronto’s Engagement+ Strategy with the Public and Government Engagement Committee. It was suggested that the Corporation perhaps host a Town Hall in other parts of the city to engage a broader audience.

The CEO advised that Management is looking at a more integrated approach to the Design Review Panel (“DRP”) process in terms of the timing of when a project is first brought to the DRP for review. He advised that a more integrated approach would see projects brought into the process earlier, allowing for suggestions from the DRP to be implemented prior to the detail design stage. It was suggested that perhaps more community members be appointed to the Panel. It was further suggested that going forward the DRP pay close attention to the quality and life expectancy of the products to be used in Waterfront Toronto projects.

7. Committee Chair Report – Chairs Committee

The Chair of the Chairs Committee, Helen Burstyn, tabled a report and advised that the Chairs Committee of the Board met on June 8, 2017 to review Management’s recommendations with regard to staff compensation and is recommending the Board approve the following mid-level salary merit adjustments to base salary for the 2017/18 fiscal year:

- For the Executive and Director level, 2.0%, slightly higher than last year’s 1.5% merit adjustment;
- For the Manager, Professional and Support Staff level, 2.5%, also slightly higher than last year’s 2.0% merit adjustment. These merit adjustments are calculated according to inflation and a survey of salary increases for comparable organizations in the private and public sector; and
- A discretionary pool of \$20,000 to reward non-executive staff for extraordinary performance.

The CEO noted the extra effort made by staff over the course of the year and advised that the recommendations are in line with other public sector agencies and below private sector comparators. He advised that projected 2017-18 staff salaries (including contracted positions) and variable compensation are within the Board-approved corporate budget, which remains flat at \$12.1 million. He advised that the Pay for Performance system, created in 2005, is 12 years old and outdated, and the Corporation will be working on developing a system with better performance measures.

The Chair of the Committee and the CEO responded to questions from the Board and **ON MOTION** duly made by Julie Di Lorenzo, seconded by Mazyar Mortazavi and carried, it was **RESOLVED** that the Board of Directors hereby approve the following recommendations of the Chairs Committee:

1. For the Director and Executive Management level, the recommended salary matrix with a mid-level salary merit adjustment of 2.0%.
2. For the Manager, Professional and Support Staff, the recommended salary matrix with a mid-level salary merit adjustment of 2.5%.
3. A discretionary pool of \$20,000 for the CEO to reward non-executive staff for extraordinary performance.

8. Motion to go into Closed Session

ON MOTION duly made, seconded and carried, the Board **RESOLVED** to go into closed session in accordance with Section 190.2(a and b) of the City of Toronto Act (“COTA”) and Section 6.1.1(a and b) of By-Law No. 2 of the Corporation (*the security of the property of the Corporation and personal matters about an identifiable individual, including employees of the Corporation*).

The Chair indicated to members of the public present that it was in order for them to depart the meeting. Members of the public left the meeting at 9:30 a.m.

Closed Session
9:30 a.m.

9. Committee Chair Reports

a) Public and Government Engagement Committee

Confidential reports in accordance with Section 190.2(a) of COTA and Section 6.1.1(a) of By-Law No. 2 (security of the property of the Corporation).

Ross McGregor, the Chair of the Public and Government Engagement Committee, tabled a report and provided an overview of discussions that took place at the May 29, 2017 Joint Committee meeting which involved a discussion of strategic options to pursue enhancements to the governance restrictions in the Toronto Waterfront Revitalization Act.

A motion will be tabled during the Open Session of the meeting.

Mr. McGregor tabled an additional confidential report concerning government commitments for funding of the Port Lands Flood Protection and provided an overview of the discussions at the May 29, 2017 Committee meeting.

Meric Gertler left the meeting at 11:00am.

The Chair asked that Management and staff, with the exception of Rose Desrochers, Director, Human Resources and Administration, depart the meeting for the discussion regarding the CEO’s performance assessment. The Chair appointed Rose Desrochers to act as secretary of the meeting.

b) Chairs Committee

A confidential report in accordance with Section 190.2(b) of COTA and Section 6.1.1(b) of By-Law No. 2 (personal matters about an identifiable individual, including employees of the Corporation).

Ms. Burstyn led a discussion regarding the performance assessment of the CEO for the period April 1, 2016 to March 31, 2017.

A motion will be tabled during the Open Session of the meeting.

Management and staff were asked to return to the meeting at the conclusion of the discussion regarding the CEO's performance. Ann Landry was once again appointed to act as secretary of the meeting.

10. Motion to go into Open Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussions having been completed, **ON MOTION** duly made by Sevaun Palvetzian, seconded by Ross McGregor and carried, the Board **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public returned to the meeting at 11:45 a.m.

Ross McGregor left the meeting at 11:45am.

Public Session 11:45 a.m.

11. Resolutions Arising during the Closed Session

As a result of the closed session discussions, the following resolutions were proposed and voted on:

ON MOTION duly made by Ross McGregor, seconded by Janet Rieksts-Alderman and carried, be it **RESOLVED** that the Corporation is authorized to take the action necessary to pursue the initiatives with governments as recommended to this meeting by the Chair of the Public and Government Engagement Committee.

ON MOTION duly made by Helen Burstyn, seconded by Mazyar Mortazavi and carried, be it **RESOLVED** that the Board of Directors hereby approve the compensation recommendations for the CEO as presented by the Chair of the Chairs Committee and discussed by the Board during the closed session of the meeting.

12. Capital Approvals

- a) *East Bayfront & West Don Lands Stormwater and East Bayfront Sanitary Servicing Infrastructure Project*

Will Fleissig advised that this item would be deferred to the September 14, 2017 Board meeting.

b) Cherry Street Stormwater and Lakefilling Project

David Kusturin reminded the Board of the tri-government announcement of \$65 million in funding for the implementation of the Cherry Street Stormwater & Lakefilling (“CSLF”) Project and that the project is part of the broader Port Lands Flood Protection Project which must be completed by March 31, 2019 pursuant to the Clean Water and Wastewater funding (“CWWF”) program criteria.

He advised that the project has been fast-tracked to ensure completion on schedule and a higher contingency is maintained in the event that drawings need to be updated in order to do so.

He advised that Waterfront Toronto’s policies and procedures provide for Capital Approvals to be obtained after design has reached 20% completion in accordance with standard industry practice. He advised that cost estimates for the project based on the 20% design submission issued by the engineering and design consultants, have been completed by the consulting team estimator as well as by an independent estimator.

Susie Henderson, Chair of the Finance, Audit and Risk Management (“FARM”) Committee, advised that the capital approval was tabled and discussed at the June 1, 2017 FARM Committee meeting where it was approved without issue.

Further discussion was not required and **ON MOTION** duly made by Sevaun Palvetzian, seconded by Mazyar Mortazavi, and carried, be it **RESOLVED** that the Board of Directors approve a capital expenditure of \$65 million to complete the Cherry Street Stormwater and Lakefilling Project.

A question was posed regarding a recent newspaper report on Toronto’s water quality and whether or not the work of Waterfront Toronto will deal with the problem. Mr. Fleissig advised that the City is working on this issue and a background piece will be provided at the September Board meeting.

c) Jack Layton Ferry Terminal – Phase 1A

Chris Glaisek advised that an International Design Competition was held in 2014/2015 and “Harbour Landing” Design by KPMB, Greenberg Consultants and West 8 was selected as the winner. He advised that the Master Plan, which is based on the winning design and which applies to the entire project site, was completed in early 2016 and includes changes based on feedback from the Design Competition Jury, the Stakeholder Advisory Committee, City and Agency Representatives and the Design Review Panel. He advised that Waterfront Toronto worked collaboratively with Parks, Recreation and Forestry and Deputy Mayor Pam McConnell, in securing funding for a Phase 1A “quick start” of the Master Plan, a new entrance landscape from the intersection of Queens Quay and Bay. He advised that the design is underway and construction of Phase 1A is anticipated to commence in September 2017 and be completed by May 2018.

He advised that the goals of the Jack Layton Ferry Terminal Master Plan Vision include:

- Creating an iconic ferry terminal that is a gateway to the Toronto Islands and a civic destination;
- Creating a signature waterfront park that complements its proximity to the water's edge and offers spectacular views of the lake; and
- Supporting the large number of visitors and enabling operational efficiency during peak times.

He advised that Waterfront Toronto commenced working on the design of Phase 1A of the project in September 2016, with funding remaining from the competition/master plan phase of the project. In December 2016, a Delivery Agreement for capital funding (\$1.81 million total) between Waterfront Toronto and City of Toronto (Parks, Forestry and Recreation) was completed. In April 2017, an additional \$1 million of funding from the City was approved by City Council and the scope of the project was increased to reflect this and an amendment to the Delivery Agreement is underway.

He advised that cost estimates for the project have been completed by the consulting team estimator as well as by the independent estimator retained directly by Waterfront Toronto, based on the 30% design submission issued by the design consultants. He advised that cost estimates on the 60% design drawings are targeted to be completed by June 7, 2017.

He further advised that Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained after design has reached 20% completion, in accordance with standard industry practice.

Mr. Glaisek responded to questions from the Board and **ON MOTION** duly made by Sevaun Palvetzian, seconded by Mohamed Dhanani, and carried, it was **RESOLVED** that the Board of Directors approve a capital expenditure of \$2.81 Million to complete the Jack Layton Ferry Terminal Phase 1A Project.

13. Committee Chair Reports

Finance, Audit and Risk Management ("FARM") Committee

a) Year-end Financial Statements

The Chair of the FARM Committee, Susie Henderson, tabled the audited Financial Statements for the period ended March 31, 2017. She highlighted Waterfront Toronto's investments totalling \$32 million, of which \$17.7 million was spent on projects that were capitalized and \$14.3 million was spent on projects that were not capitalized. She provided an overview of the statement of financial position, including capital assets and net assets; and the statement of financial activities, including revenues and excess of revenues over expenses. She further noted other significant components of the statements including restricted cash and investments and referred to Note 19 which provides the details regarding the financial position of The Bentway Trust which is administered by Waterfront Toronto.

Ms. Henderson advised that the external auditors tabled their 2016/17 Audit Report at the FARM Committee meeting on June 1, 2017 noting that in their opinion, the financial statements present fairly, in all material respects, the financial position of Toronto Waterfront Revitalization Corporation as at March 31, 2017. She further reported that the external auditors noted staff's cooperation and assistance with the audit.

b) 2016/17 Annual Report

Ms. Henderson tabled the 2016/17 Annual Report advising that it has been refreshed to provide the same look and feel and readability as the Corporation's 2017/18 Corporate Plan, which was approved by the Board in December 2017. She advised that it is a report on the achievement of the previous year's Corporate Plan and a companion document to the year-end financial statements.

The document was considered read and the following suggestions were noted:

- adding the names of the Board members to the document;
- add community commentaries (the voices of the residents) to the document;
- include Waterfront Toronto's vision in the document;
- include the global significance of Waterfront Toronto's work.

It was also noted that the document is backward thinking and perhaps should include some forward thinking information. The Board cautioned Management not to attempt to make this document everything to everyone – the report is a sister document to the previous year's Corporate Plan and should not include information provided in the Corporate Plan which is the visionary document and is forward-thinking.

Further discussion was not required and **ON MOTION** duly made by Susie Henderson, seconded by Sevaun Palvetzian and carried, it was **RESOLVED** that the Board of Directors hereby approve the 2016/17 Annual Report.

c) Delegations of Authority

Ms. Henderson tabled Waterfront Toronto's Delegations of Authority ("DOA") and advised that they were recently updated to reflect C-level position/title changes resulting from the recent organizational review where the positions of Chief Project Officer and Chief Strategy Officer were authorized to be signing officers. She advised that this re-alignment is reflected in the updated DOA with no other material changes.

Further discussion was not required and **ON MOTION** duly made by Susie Henderson, seconded by Sevaun Palvetzian and carried, be it **RESOLVED** that the Delegations of Authority, be and are hereby approved by the Board of Directors.

d) Quarterly Cash Flow Report

Lisa Taylor tabled the Quarterly Cash Flow Report and borrowing update advising that the report covers a period of 36 months to March 2020 to reflect the period when the Corporation would have realized sufficient revenues to repay the borrowing and meet all of its obligations, currently expected in the third quarter of 2019/2020.

Ms. Henderson advised that the Quarterly Cash Flow Report was for information purposes only.

e) Quarterly Project Report

Ms. Henderson tabled the Quarterly Financial Variance Report and Work Package Risk/Status Report to March 31, 2017. She advised that the reports summarize the budget, commitment, current costs, forecast costs, budget variance and risk status of each active project at the close of each fiscal quarter.

14. Termination of the Meeting

There being no further business, **ON MOTION**, duly made by Julie Di Lorenzo, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the meeting be terminated at 12:30 p.m. local time.

Chairman

Secretary of the Meeting